

Purchasing Week

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\$6 a Year

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Steel Producers See Price Rise, Cite Wage Costs

Pittsburgh—Most big basic steel producers, undeterred by current and prospective low production rates, are firmly convinced steel prices must go up again next summer.

Producers polled by PURCHASING WEEK in major steel centers across the country indicated this week the anticipated increase next July would be "moderate" but absolutely necessary because of soaring labor costs.

Authoritative estimates set the anticipated boost at between an average \$3 to \$6 a ton. The majority lean toward the \$5-6 range.

That higher costs are in the offing need not surprise steel consumers. Since mills raised prices an average \$6 last summer to offset contract wage costs, one producer after another has complained periodically the 1957 boosts were "inadequate."

But up to now big producers have been playing coy in discussing their attitude on possible price raises this year. Taking into account the Kefauver Senate Committee spotlight which fo-

(Continued on page 7)

FHA Easing Home Buying

Washington—The Administration is taking a number of steps to boost housing starts as a way of injecting new sources of business strength into the sagging economy.

Last week the Federal Housing Administration wiped out its requirement that home buyers be required to pay the closing costs required to acquire title to a house. Now, these costs can be part of the loan that FHA insures. The result in effect is a lower down payment for the home buyer.

Earlier, FHA had taken steps to bring all of its 75 field offices up to a more liberal judging

(Continued on page 4)

How to Slay High-Freight Dragon

New York—When the year-end report of a large Midwest firm showed an added profit of almost \$100,000, it was the purchasing agent—not the sales manager or production men—who took the bows.

The purchasing agent had captured and tamed an unruly dragon which had been fattening on business profits. Together with his company's traffic manager, the P. A. made a detailed study of the beast—traffic and transportation—and found ways to chop down freight costs.

Instead of just a fair year, his company found itself far in the

As Shippers Fight Hikes, R.R.'s Predict More



OPPOSITION to proposed increases in railroad freight rates was formulated last week at a meeting of the New York Transportation Council. Its chairman, A. G. Anderson, discusses grievances with other experts.

Auto Producers See Problems

Detroit—Car makers have shifted into second gear for an uncertain climb through the months ahead.

Beset by lagging new model sales, a foreign car invasion, and a nearing round of labor negotiations, it is hardly surprising that Detroit is facing 1958 with caution. The auto industry—the nation's most sensitive business barometer—at this point apparently cannot take its own reading.

(Continued on page 12)

Anti-Trust Division To Check Selling Prices

Washington—The pricing aspect of anti-trust enforcement is getting the attention of the Justice Department's Anti-Trust Division. Many of its activities during 1957 were aimed at tracking down conspiracies to fix selling prices of consumer goods.

In a special report the division noted that it had investigated cases of alleged price fixing in the following industries: baking, milk, household appliances, hardware, cigarettes, and gasoline.

Auto Lay-Offs Rise

Detroit—Auto production lay-offs continued to mount last week. Chrysler Corp.'s Dodge and DeSoto divisions furloughed 4,000 workers. U. S. Rubber Co. will lay off 1,300 by the end of the month. There have been some temporary shutdowns.

Chemical Buyers Plan Conference

Chicago—The Chemical Industry Buyers' Group of the National Association of Purchasing Agents assembles for its annual midwinter conference here Jan. 23.

Categories at Hotel Congress sessions include:

1. Rising costs and the profit squeeze (G. F. Polzer, director of purchases, Witco Chemical Co.).
2. Contracting with purchase programming (F. G. Schmitt, director of purchases, Merck & Co.).
3. Purchasing improvement through planning (K. L. Block, A. T. Kearney & Co., management consultant).
4. Metric system buying (R. R. G. Weigel, Eli Lilly & Co.).
5. Foreign imports (J. G. Tritsch, E. I. DuPont de Nemours & Co.).
6. Profits from long range purchasing (B. J. Quinn, Charles Pfizer & Co.).

Visit a Warehouse

Turn to page 20 where the editors of PW take you on a pictorial tour of a steel warehouse and show you a few of the many services offered by such establishments.

Textile Industry Optimistic—But

New York—The textile industry starts the new year with guarded optimism mixed with a measure of uncertainty. Everyone is agreed things won't get worse. The big question is: When can we expect the long awaited upturn in the textile cycle?

A mixture of negative and positive factors make any precise forecast hazardous. However, the consensus is that business will stay at current depressed levels through the next few months. The second half should see a modest recovery—pushing total 1958 billings some 2-3% above 1957 levels.

It is in just such a market that purchasing executives can prove their worth. Manufacturers on all levels are anxious to move goods—to prevent a repetition of

(Continued on page 3)

This Week's

Purchasing Perspective

JAN. 13-19

Everybody wants a bargain. If that were not true, currently popular retail discount houses wouldn't make a dime. **But most frequently**—especially in industrial purchasing—the secret is knowing in the first place how—not necessarily where—to look.

In other words, the smart P.A. does not have to be a "bargain hunter." He's just the guy who keeps up with the facts of life (and purchasing) and sees that he's in the right place at the right time.

Knowing the taxes of purchasing is a good example. **An up-to-date P.A. can salvage many a tax dollar** (See page 13). The best bargain of the day tomorrow may depend on where and how you make a tax-wise buy.

The same goes for shipping. With the drive on for higher rail freight rates, the biggest bargain of the year for you may turn

(Continued on page 38)

Washington—Railroads, already gearing to put a new round of freight rate increases into effect next month, may be forced to seek still higher tariffs next November.

A major spokesman for the railroad industry forecast a fall request to the Interstate Commerce Commission even while shippers across the country organized to fight the current set of proposed boosts.

Increases on a selected commodity basis and totaling close to \$290 million a year will become effective Feb. 1 if the Interstate Commerce Commission approves.

E. V. Hill, chairman of the Traffic Executive Association, Eastern Railroads, 1 Park Ave., New York, told PURCHASING WEEK:

"There is no doubt in my mind that these increases will be granted because of the obvious need for them.

"The general financial condition (Continued on page 37)

Military Spending To Aid Business

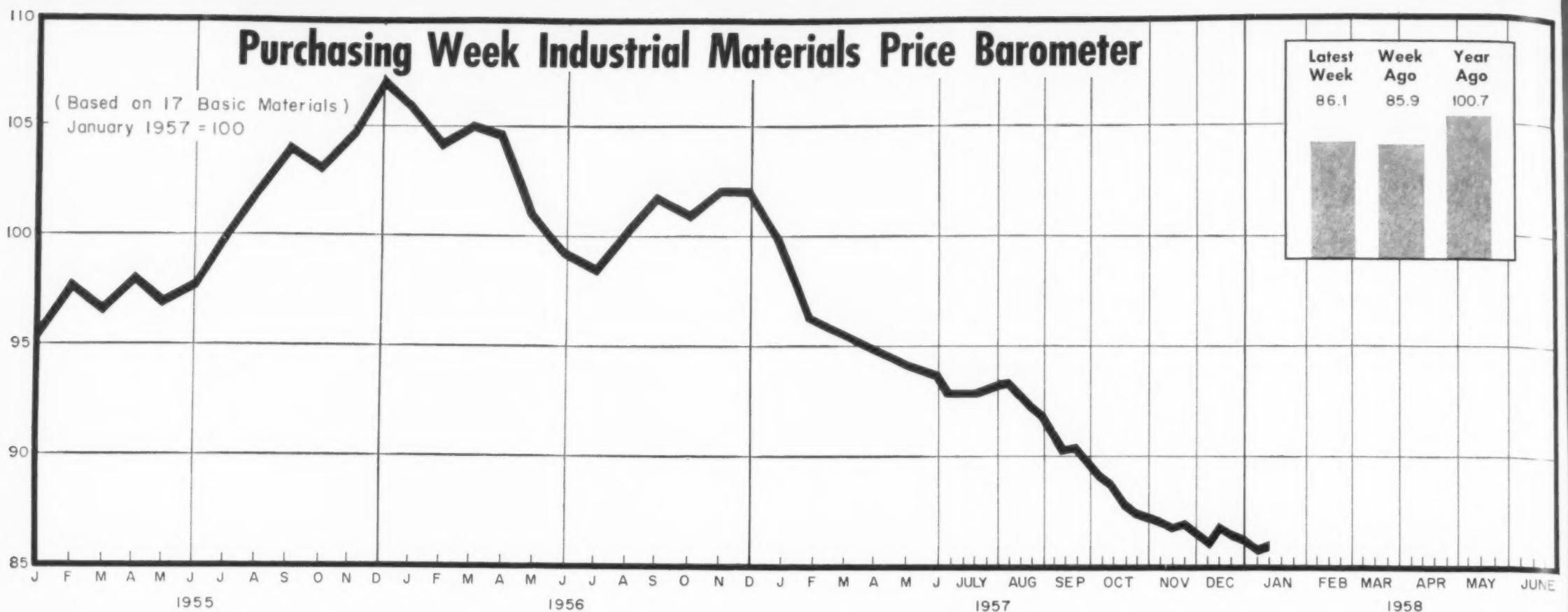
Washington—Decisions putting the government strongly on the side of business stimulation are coming out of Washington in rapid-fire order.

• A fresh spurt of government dollars will be approved for immediate spending by the military.

• Military contract-letting is going into a 60% rise, assuring increased outlays over the next couple of years.

• The White House is directing a number of changes in housing regulations aimed at expanding

(Continued on page 6)



THIS BAROMETER Was Designed Especially for the Readers of PURCHASING WEEK by the McGraw-Hill Department of Economics

This Week's —

Price Perspective

JAN. 13-19

The "give and take" of market conditions will be setting the price tone for the next few months.

Gluts will be held in check by production cutbacks and will guarantee against any sharp price break.

But continued recession talk, inventory paring, and hand-to-mouth buying could combine to keep demand spotty.

There's no pat formula to follow. You'll just have to play it by ear.

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It's a made-to-order spot for purchasing executives.

There'll be plenty of weaknesses to exploit—despite the fact that overall price indexes may be showing little change. Knowing your market, plus careful buying can pay off.

What's more—your firm will welcome any cost cuts with open arms. Lower purchase tags can substantially reduce the ever-tightening cost-price squeeze.

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Price concessions today are taking a variety of forms.

They're not always visible or advertised but are there if you take the time and effort to smoke them out.

• **Outright cuts.** These will be few and far between—and usually confined to basic raw materials. With unit labor and other costs still rising, producers are loathe to make official cuts. It makes it just that much harder to raise tags later.

• **Bigger discounts.** If you press, sellers may be more willing to grant bigger discounts for quantity purchases or prompt payment terms.

• **Freight absorption.** More and more producers are willing to foot the freight bill in order to move merchandise. In steel, for example, absorption is common for sheet, strip, and bars. You can find it in structurals and light plates too.

• **Extras.** Producers are now willing to throw in extras at no additional charge. Improved or jazzed-up models, special handling, tailor made requirements—All these can now increasingly be obtained at little or no extra cost.

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The case of steel prices is interesting.

On the one hand, **demand is spotty**. That's evident from widespread freight absorption and dropping of charges for extras.

Nevertheless, another general price increase is in the cards (See page 1).

It's a prime example of the "cost plus" concept of price determination. Skyrocketing labor and other costs force an increase—even where supply-demand law dictates otherwise.

On the other hand, nonferrous metals remain shaky.

Domestic lead, zinc—and even copper with last week's 1/2¢ cut in smelter tags—are still higher than quotations prevailing in London and other overseas centers.

It's doubtful whether these differences can continue without increasing the flow of these metals to our shores.

Further information on prices of specific materials and products in many other stores throughout this issue. Purchasing agents will find these stories supplement the service provided by this column.

This Week's Commodity Prices

METALS

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Pig iron, Bessemer, gross ton	67.00	67.00	63.50	+5.5
Pig iron, basic, gross ton	66.00	66.00	62.50	+5.6
Pig iron, #2 foundry, gross ton	66.50	66.50	63.00	+5.6
Steel, billets, Pitts. net ton	77.50	77.50	74.00	+4.7
Steel, structural shapes, Pitts., cwt	5.275	5.275	5.00	+5.5
Steel, bars, del'd., Phila., cwt	5.725	5.725	5.365	+6.7
Steel, bars, Pitts., cwt	5.425	5.425	5.075	+6.9
Steel scrap, #1 heavy, del. Pitts., gross ton	32.00	32.00	65.00	-50.8
Steel scrap, #2 heavy, del. Pitts., gross ton	30.00	30.00	56.00	-46.4
Steel scrap, #1 heavy, del. Cleve., gross ton	27.00	27.00	63.00	-57.2
Steel scrap, #2 heavy, del. Cleve., gross ton	21.00	21.00	55.00	-61.8
Aluminum, pig, lb	.26	.26	.25	+4.0
Secondary aluminum, #380 lb	.223	.221	N.A.	N.A.
Copper, electrolytic, wire bars, refinery, lb	.225	.266	.356	-36.8
Copper scrap, #2, smelters price, lb	.188	.193	.285	-34.0
Lead, common, N.Y., lb	.13	.13	.16	-18.8
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.70	.70	2.30	-69.6
Tin, Straits, N.Y., lb	.94	.918	1.005	-6.5
Zinc, Prime West, East St. Louis, lb	.105	.105	.135	-22.2

FUELS

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Fuel oil #6 or Bunker C, Gulf, bbl	2.55	2.55	2.40	+6.3
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.95	2.95	3.05	-3.3
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.85	2.85	2.55	+11.8
LP-Gas, Propane, Okla. tank cars, gal	.05	.05	.05	0
Gasoline, 91 oct. reg, Chicago, tank car, gal	.125	.128	.123	+1.6
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.126	.126	.131	-3.8
Coal, bituminous, slack, ton	6.05	6.05	5.80	+4.3
Coke, Connellsville, furnace, ton	15.25	15.25	14.50	+5.2

CHEMICALS

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Ammonia, anhydrous, refrigeration, tanks, ton	90.50	86.50	82.50	+9.7
Benzene, petroleum, tanks, Houston, gal	.36	.36	.36	0
Caustic soda, 76% solid, drums, carlots, cwt	4.30	4.30	4.30	0
Coconut oil, inedible, crude, tanks, N.Y. lb	.146	.146	.128	+14.1
Glycerin, synthetic, tanks, lb	.28	.28	.28	0
Linseed oil, raw, in drums, carlots, lb	.187	.187	.167	+12.0
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.41	-14.6
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.40	9.20	9.70	-3.1
Shellac, T.N., N.Y. lb	.34	.34	.40	-15.0
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	26.50	-11.3
Sulfuric acid, 66%, commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.083	.083	.076	+9.2
Titanium dioxide, anatase, reg, carlots, lb	.255	.255	.225	+13.3

PAPER

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.15	+5.3
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	23.55	+2.3
Chipboard, del. N.Y., carlots, ton	100.00	100.00	105.00	-4.8
Kraft liner, 42 lb del. N.Y., ton	127.50	127.50	127.50	0
Wrapping paper, std, Kraft, basis wt, 50 lb rolls	9.50	9.50	9.25	+2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.60	-3.0

BUILDING MATERIALS

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.42	4.42	4.23	+4.5
Glass, window, single B, 40" bracket, box	7.09	7.09	7.88	-10.0
Southern pine lumber, 2x4, 8x8, trucklots, fob N.Y.	112.0	113.00	117.00	-4.3
Douglas fir lumber, 2x4, 8x8, trucklots, fob N.Y.	116.00	116.00	119.00	-2.5

TEXTILES

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Binder twine, std, 50 lb bale	8.75	8.75	8.78	-0.4
Burlap, 10 oz, 40", 100 yd	10.35	10.35	11.60	-10.8
Cotton, 1", lb	.365	.364	.347	+5.2
Printeloth, 39", 80x80, N.Y., spot, yd	.178	.178	.186	-4.3
Wool tops, N.Y. lb	1.565	1.56	1.965	-20.4

HIDES AND RUBBER

	Jan. 8	Jan. 1	Year Ago	Yrly % Chg.
Hides, cow, light native, packers, lb	.145	.14	.135	+7.4
Rubber, #1 std ribbed smoked sheets, lb	.280	.293	.344	-18.6

Guarded Optimism Starts New Year In Textile Field

Mixed Negative, Positive Factors Hinder Precise Forecast; Depressed Level Will Continue

(Continued from page 1) 197. Bargains are available. They just have to be ferreted out.

A closer look at the upward and downward pressures can give you a better idea of what to expect this year. Impetus for recovery should come from:

• Textile cycle upturn. This is long overdue. It was expected in the third quarter of 1957.

• Production curtailment. Mill output was cut 7.2% in 1957. Cotton, rayon, wool, and silk outputs were all reduced. One of the keys to better 1958 business lies in continued product curtailment to keep inventories low, prices firm.

Low Inventory Level

• Low retail inventories. Hand-to-mouth buying has left retail inventories in a trim position. Apparel retail stock to sales ratio has been cut to 2.7, the lowest level since 1952.

• Cotton cloth prices. After tumbling in late Fall to 17 1/8¢ per yard, the price of 80 sq. print cloth has now inched ahead to 17 3/4¢ per yard.

But to get a full picture you have to look at the bearish factors as well:

• Economy downturn. With more people out of work, textile consumption is bound to suffer. Auto fabrics may also decline. It should put a damper on the textile cycle upturn.

• High mill inventories.

High Raw Cotton Prices

• Possible overproduction. Mills, at last report, were operating at 82% of capacity. A 92-93% rate is preferred.

• High raw cotton prices. This is putting the squeeze on profits. Crop damage and acreage restrictions have pushed the price of raw cotton up close to 35¢ a pound—2¢ above a year ago.

• Japanese imports. Japan wants more flexibility in quotas. If approved, it could keep prices under pressure.

A hint as to what 1958 will bring may be gleamed from cur-

McKiernan-Terry Buys Weisner-Rapp Co., Inc.

Buffalo, N. Y.—Weisner-Rapp Co., Inc., has sold its textile machinery business to the McKiernan-Terry Corp., Dover, N. J.

McKiernan-Terry will build and service machines formerly manufactured by Wiesner-Rapp in its plants in Dover and Harrison, N. J. Wiesner-Rapp will use its Buffalo plant for other parts of its business. Sale of its textile machinery division will not affect other Wiesner enterprises.

Heating Pad Prices Rise

Bridgeport, Conn.—General Electric Co. announced that it is raising the retail tags of its two lowest priced heating pads. Effective Feb. 1, the prices will be upped \$1 to \$5.95 and \$6.95. Tags on the other higher-priced pads will remain unchanged.

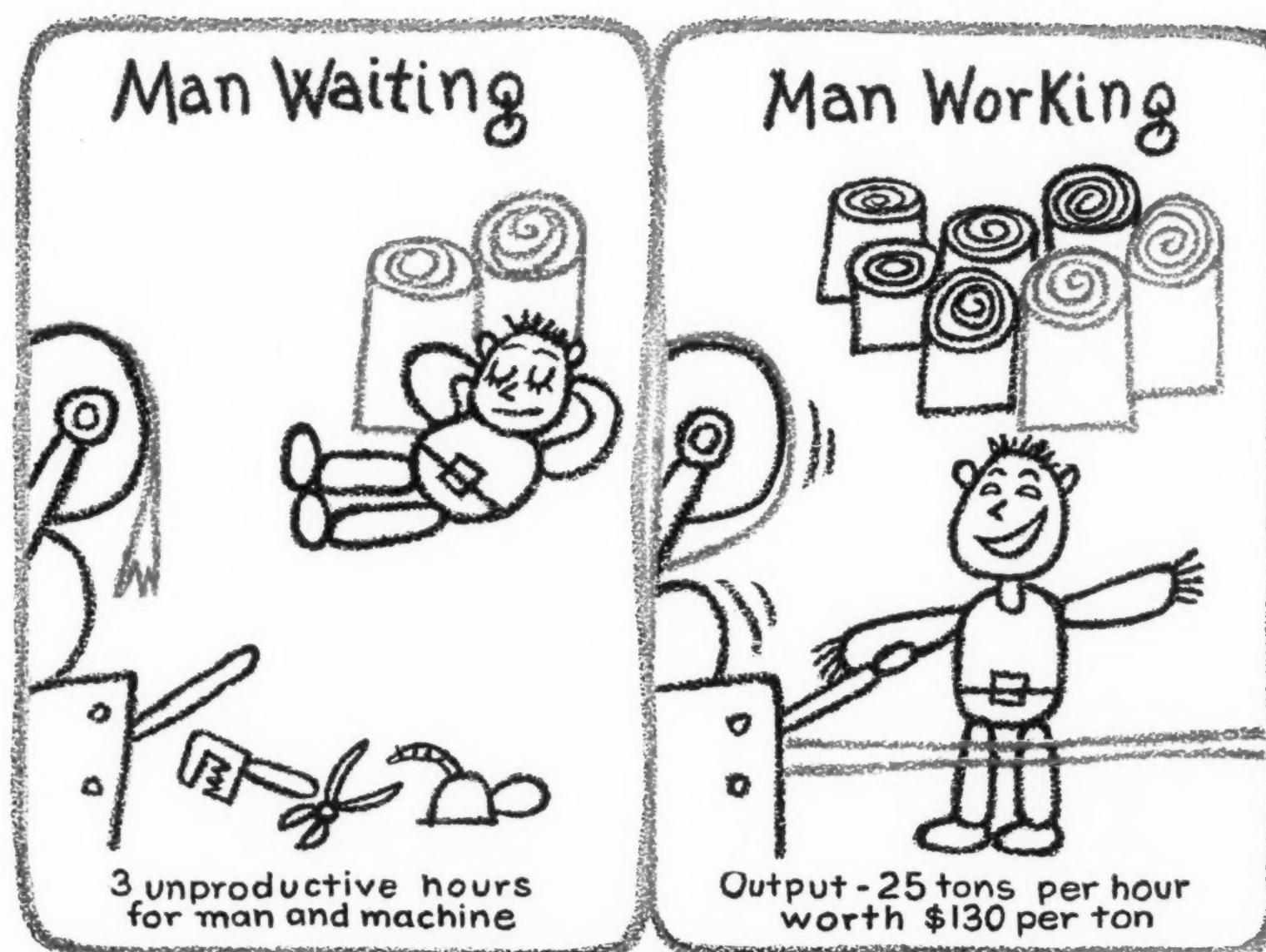
Facit Raises Prices

New York, N. Y.—Following previously announced price increases by four major American typewriter manufacturers, Facit, Inc., an importer of foreign office equipment, has boosted the price of its newly introduced standard typewriter model by 3%. The machine will sell for \$197.50.

There's an optimist for every pessimist in the stock market. No share of stock can be sold, no matter how low the price, unless some one is willing to buy it. And any day that a million shares are sold; shares are also bought.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,548	1,501	2,519
Steel ingot operating rate, %	60.5	58.6	98.4
Trucks, units	12,347	12,397	11,087
Crude runs, thous bbl, daily aver	7,867	7,876	8,290
Distillate fuel oil, thous bbl	13,240	13,200	14,468
Residual fuel oil, thous bbl	7,892	8,019	8,745
Gasoline, thous bbl	27,591	27,926	28,209
Petroleum refineries operating rate, %	86.6	86.7	93.9
Container board, thous tons	95,037	146,516	128,267
Boxboard, thous tons	118,117	144,189	93,983
Paper operating rate, %	51.2	92.0	86.7
Lumber, % change from week or year ago	-51.7	-1.2	-19.1
Bituminous coal, daily aver thous tons	1,144	1,563	1,020
Electric power, million kilowatt hours	11,692	11,218	11,761
Eng const awards, millions, Eng News-Rec	171.0	259.3	376.1



In the past, production losses due to breakdown of dryer roll bearings were so small they could be made up.

Today shut down of high-speed machines puts production behind by hundreds of tons per hour—quickly piles up losses.

Lubricating plan cuts downtime — can save \$10,000 in 3 hours

Not so long ago, machines shut down by bearing failure could make up production losses. Today volume output and integrated production mean that production losses are losses in profit. These are the reasons behind management's growing concern with lubrication methods in their plants.

Take this example from the paper industry: they used to figure \$500 for a bearing, \$500 for labor (idle time and repair crew) and expected to make up losses on the two or three hours downtime. Today, high speed machines produce twenty-five tons of paper per hour worth \$130 per ton. You can't ignore \$3,000 an hour in production

losses. In this case, the cost of the bearing replacement could run as high as \$10,000.

Lubrication problems differ with specific industries, but the basic principles are the same. Many companies are finding that the services of a plant lubrication engineer pay off. His services can extend part life, eliminate production losses, reduce rejects, simplify lubricant inventories and otherwise add to income. Some companies delegate lubrication responsibility to engineers or plant personnel who also perform other duties.

In both cases, Texaco's organization of Lubrication Engineers is function-

ing in all 48 States, as consultants in outlining a practical approach to these problems. A more detailed discussion is available in an enlightening booklet: "Management Practices That Control Costs Via Organized Lubrication." Write The Texas Company, 135 E. 42nd St., New York 17, N. Y., Dept. W10.



LUBRICATION IS A MAJOR FACTOR IN COST CONTROL
(PARTS, INVENTORY, PRODUCTION, DOWNTIME, MAINTENANCE)

Washington Perspective

JAN. 13-19

Businessmen can't help but have a new feeling of confidence stemming from the opening days of the new Congress.

President Eisenhower's State of the Union speech was judged as perhaps his best effort so far in placing the Administration behind the drive to compete with the Soviets in the space age—compete in missiles, research, and in bidding for the uncommitted nations.

On the economic front, the President pledged that the federal government would use its "full power to take any appropriate further action to promote renewed business expansion."

Eisenhower called for a \$4-billion rise in federal spending to answer the Soviet threat. This request came upon the heels of a \$1.3-billion request made earlier in the week for additional spending authority needed for the year ending next June 30.

Coupled with his promise to reorganize the military high command, his program for Administration action seemed to match the spirit of the Congressmen and Senators who applauded him repeatedly.

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This does not mean, however, that the Administration's problems with its critics have been solved. On two counts at least, it falls considerably short of what top Democrats and others were waiting to hear.

Nowhere did Eisenhower indicate he had adopted the Gaither Committee's appraisal of our defense weakness or defense needs. The Gaither group recommended spending increases of about \$8-billion a year in the next 3 or 4 years and other drastic measures to catch up with Russia.

Similarly, **there was not a hint of large-scale anti-recession programs.** Apparently he feels that increased Defense spending is all that's needed now to turn the economy's decline.

Preceding Eisenhower's message, the top Democrat in Congress—Sen. Lyndon Johnson of Texas—spelled out a program which was even more sweeping. He called for U.S. mastery of space as part of the Defense picture, a subject Eisenhower did not touch on. On the main issue—an increase in spending to catch up with the Soviets—there'll be no quarrel between Eisenhower and the Democrats who run Congress. They'll argue only over details.

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Eisenhower's policy for business will be spelled out in his annual economic report to Congress prepared by the Council of Economic Advisors. Most important chapter in the report this year will be the one on the economic outlook.

It will say that the short run outlook is for further drifting down of business. There'll be no effort to gloss this over.

But for the longer-run Eisenhower's advisors see a renewal of business expansion, coming during the latter half of 1958. It will be pushed along by increased government spending, population growth, continued high consumption, and the so-called "built in stabilizers" like unemployment payments.

Main reliance for turning business around will be put on increased government spending. This is not what Eisenhower's advisors would prefer. The report won't say so, but they prefer tax cuts as an anti-recession tool. In the 1954 downturn, an \$8-billion tax reduction was credited with a big part in the country's quick recovery. This time, however, they have no choice. To meet Soviet advances in weapons and science, spending has to go up anyway. They'll say this rise, backed up by more money for roads and a high level of spending for public works, is all the economy needs by way of medicine.

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There's an implied challenge to business in the report—to get busy and bring out new and attractive products that will loosen up consumer pocketbooks. The language is diplomatic, but the point is clear. **Eisenhower's advisors think consumers' coolness toward autos and appliances last year was due to lack of appealing new models.** In this view, much of what businessmen call overcapacity is simply capacity to turn out goods that no longer excite consumers. **They are hoping that results of recent big expenditures for research will result in orders for new tools and factories to turn out a flood of new consumer products.** It's one of their main hopes for a resumption of growth in the civilian side of the economy.

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Look for a flurry of Democratic criticism when the economic report is delivered to Congress. The Joint Economic Committee is planning hearings, and **Democrats will accuse the Administration of glossing over the economic threat.** There's nothing in the report about what the Administration would do if the current

mild recession should suddenly get worse, threatening a real depression. This will be pointed up by critics.

There will be a lot of shouting but no all-out drive by the Democrats to force stronger anti-recession actions. They want to wait and see how things look by early summer. Then if the slide is deep enough, there will be a push for tax cuts.

There's new hope for better government figures on construction—a segment of the economy that the Administration counts on to help counter the business slide.

Reason is that Commerce officials have won the years-long battle to get all construction statistics, analysis, interpretation under their roof. Labor Department has opposed, hoping to keep in the Bureau of Labor Statistics some key construction series—housing starts, housing expenditures, federal construction spending, and building permits.

Commerce officials say they can now make a stronger case for more money from Congress needed to make the figures on construction much more reliable. Up to now, Congress has found it easy to play off one department against the other and found it easy to avoid boosting the budget of either bureau.

The decision was forced on the Labor Department by Secretary of Commerce Weeks and Budget Director Brundage. Right now, the best guess is that the merger will be accomplished by having Eisenhower issue a reorganization order. This becomes effective unless one House of Congress passes a resolution against it.

Weakening of Foreign Demand Drops Indian Manganese Prices

Bombay — (McGraw-Hill World News)—Prices of Indian manganese ore are dropping fast. Currently superior grade manganese ore—46 to 48%—is being quoted at \$50 per ton instead of \$52 listed a fortnight ago. Reason for the price drop is the weakening of foreign demand.

Representatives of the trade

have told a McGraw-Hill correspondent that they are making a representation to the government of India to provide positive incentives for increasing manganese ore exports. The traders, reportedly, are asking the government for:

1. Removal of export duty on medium grade ore.

2. Abolition of the quota system.

3. An explicit and clear export policy to hold good for five years.

In the meantime a local company has, for the first time, arranged to export 3,000 tons of ferromanganese made in India. The value of this export reportedly is \$504,000, and it is booked for America.

Du Pont Reduces Price On "Uramite" by 10%

Wilmington, Del.—Du Pont has announced an approximate 10% reduction in delivered prices of "Uramite" fertilizer compound to distributors. Price reduction was made possible by the expanding market for the compound, according to F. M. Jornlin, Du Pont sales manager.

White Appoints Hajoca

Middleville, Mich.—White Products Corp. has appointed Hajoca Corp., second largest wholesaler of plumbing and heating equipment in the East, to handle its line of automatic water heaters exclusively.

Merck Plans Expansion

New York—Merck & Co., Inc., has planned to spend more than \$5 million for new facilities at Danville, Pa. The expansion includes production of ultra-pure silicon and related products. High-purity silicon is used for the manufacture of transistors, diodes, and rectifiers.

In the rapidly changing market of today no company is safe unless it has diversified its products. Latest report is that missiles and rockets will eliminate plane carriers. Many products of the past are practically non-existent today. Among them: buggy whips, buggies, wagons, coal-burning stoves, iceboxes, ice, gas lights, celluloid collars, cornstraw brooms, and stove polish.

No Extra Cuban Sugar for U.S. Case

Washington—Industrial sugar users are being ignored on their appeals for a heftier share of Cuba's low-cost sugar. The U.S. Department of Agriculture has set the 1958 sugar import quota at 8.8-million short tons, the same figure it led off with last year. The government rejected the 9.3-million ton figure proposed by industrial consumers. But the 1958 import quota may be changed during the year.

In 1957 officials jumped the permissible import limit to 9.2 million tons on news of a bleak domestic crop outlook last summer then levelled it off to 8,975,000 tons by year-end when the threatened shortage passed. The year-end total is the official quota—all those prior to it just anticipatory guesses.

But, any hopes that the department will go to bat for liberalizing the 1956 Sugar Act amendments—which sharply trimmed Cuba's former role as sole supplier of extra-quota imports—appear doomed. The 1956 amendments cut Cuba's share of all imports in excess of the previous year's demand (actual consumption) to 25.59% and reserved a 55% share for domestic producers. Before the amendment Cuba had supplied nearly all the additional imports exceeding the previous year's consumption level.

At recent hearings industrial sugar users urged the department to seek a larger share of these excess quotas for Cuban sugar. But, USDA officials have no intention of doing this, claiming that such a move would be against the interest of domestic producers. Industrial users, by the same token, figure that any increase in imports would result in lower sugar prices.

FHA Acts to Make Home-Buying Easier; More Housing Expected

(Continued from page 1)
mortgage credit risks.

The effect of this is to loosen regulations in a few field offices that have been turning down mortgages because of what Commissioner Norman Mason describes as outdated rules. Housing officials feel that only a small minority of regional offices have been holding too tightly on mortgage eligibility—that most have been approving mortgage applications based on Mason's recommended standards right along.

So, they estimate no measurable stimulation of housing will result from the new appeal to the regional offices. However, Mason's directive comes on the heels of President Eisenhower's

decision to release \$177-million in federal funds supporting home building—a direct effort to stiffen a sagging housing industry.

Some lenders believe the FHA stress on the standards will have a direct effect on building starts as well.

"The field offices are further behind Mason than is generally realized," one lender commented. "We think the FHA action means many borrowers who would have been turned down in 1957 will get an okay in 1958."

Fall in Home Building Drops Lumber Use 8%

Washington—Estimated lumber consumption in 1957 dropped to 37-billion board feet, 8% below 1956 and the lowest since 1949, according to an industry-government group.

Lumber Survey Committee, a group of nine representatives from the lumber and building industries and government agencies, estimated that private home construction provided less than one million dwelling units last year.

U.S. Supreme Court to Hear 3 Tax Cases with Purchasing Angles

Personal Levy Arouses Protests of 2 Companies; Iowa Fights Income Taxation in Minnesota

Washington—The U. S. Supreme Court has agreed to hear three state taxation cases affecting purchasing activities. The outcome of one, involving a steel producer, could be especially significant because of increasing reliance on ore from abroad.

The court will decide whether an Ohio personal property tax may Constitutionally be levied on imported iron ore stored for use at a steel mill.

In 1945, the court by a five-to-four vote held that Ohio could not levy a personal property tax on bales of hemp imported by an Ohio manufacturer and stored for use at his plant.

The current case involves the same Ohio tax applied on iron ore imported from Canada by the Youngstown Sheet & Tube Co. The company claims it cannot be taxed according to the 1945 ruling. (See p. 13: "An Alert P.A. Can Cut the Tax Bill.")

The provision of the Constitution in question in the Youngstown case is the clause stating: "No state shall, without the consent of Congress, lay any imports or duties on imports or exports."

The question to be decided, therefore, is when do imported goods lose their status as imports and become personal property, subject to state taxes?

The court also will rule on a second case involving protests of Allied Stores of Ohio, Inc., against the same Ohio tax.

Allied contends the levy violates the equal protection clause of the 14th Amendment by taxing goods stored by resident individuals and corporations when it does not tax the same goods if stored in Ohio by non-residents.

A third decision facing the Supreme Court is whether a net income tax levied by one state upon a corporation chartered in another state is Constitutional. The Northwestern States Portland Cement Co. of Mason City, Iowa, has challenged such a tax in

Huss Ontonagon Begins Corrugated Production

Chicago—The Huss Ontonagon Pulp & Paper Co. has started production of corrugating medium for shipping containers in its new mill in Ontonagon County, Mich.

The mill's entire output of neutral sulphite semi-chemical corrugating medium will be sold by Mead Board Sales, Inc., Cincinnati, a wholly owned subsidiary of The Mead Corp., through its sales offices in Cincinnati, Newark, Chicago, Detroit, Boston, and Lynchburg.

To err has always been human, but now it is also insurable—at least by architects and engineers, reports Electrical World, a McGraw-Hill publication. A new type of insurance, which covers "errors and omissions" made by the architect or engineer, is getting support from a number of professional societies.

Textile Plant To Shut Down In 30-45 Days

Warwick, R. I.—Apponaug Co., a textile printing and finishing plant employing 530 workers, plans to shut down within the next 30 to 45 days.

Frederick G. Brown, president, said "due to the shortage of work and the prevailing price structure, we have decided to cease operations as soon as possible." The company is looking for a buyer but has been unable to find one and it is most likely the mill will be liquidated, Brown said.

The printing and finishing plant treats and dyes fabric after it comes from the loom.

Fuel Oil Prices Upped by Socony

New York—Socony Mobile Oil Co. has increased the wholesale prices of its light heating oils, diesel fuel, and kerosene along the eastern seaboard, effective Jan. 7.

The light heating oils and diesel fuel will go up 0.3¢ a gal., and kerosene 0.2¢. Price levels, the company said, are still more than 1¢ below the wholesale prices in effect about a year ago.

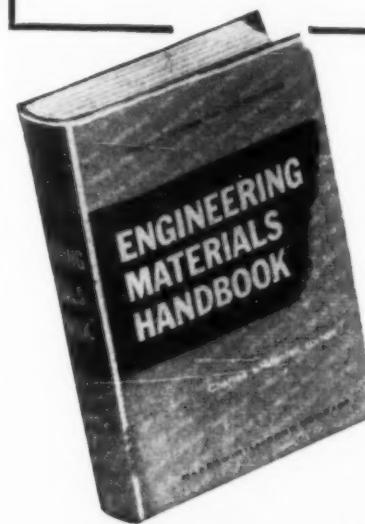
This price increase has been pending since October—traditional date for the ending of summer discounting. But widespread market weakness prevented any

price hikes until now. Currently reduced inventories and signs of some strength in the charter market apparently prompted the Socony move.

Although the increase affects only barge, tank car, and yard prices, it is believed that Socony will follow through with higher retail prices in some areas.

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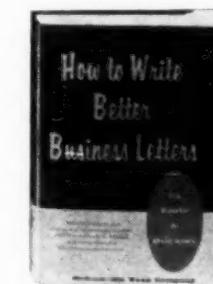


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Government's Military Spending Will Stimulate Nation's Business

Changes in Housing Regulations Aimed at Aiding Building Industry; Federal Reserve to Ease Credit

(Continued from page 1) that section of the construction industry.

In addition, the Federal Reserve is expected to ease credit, making money cheaper and easier to borrow by businessmen and state and local governments.

As a result of such actions, confidence is growing among President Eisenhower's advisors that the business dip which began last summer will be both shallow and brief.

But further bad news is expected.

The President's economic report to Congress Jan. 20 will frankly state that the immediate outlook is for further softness. But the chief emphasis will be put on the period six months to a year from now, when recovery is expected. The general tone will be strongly reassuring.

See Improved Confidence

White House economists are telling the President that they already detect an improvement in business confidence, based on the six-months view. They see scores of leading businessmen and industrial economists and rest their judgment on such interviews.

The spurt in military spending will stem from a \$1-billion supplemental appropriation in the early weeks of this new Congressional session. Spending will climb this fiscal year from the \$38 billion originally budgeted to over \$39 billion. It is expected to climb over \$40 billion in the fiscal year beginning July 1.

Increase In Military

The biggest immediate impact on business, however, comes from the turnaround in military contract letting. In the first third of the fiscal year, new contracts totalled only \$2.8 billion. To meet goals, some \$12 billion worth of contracts will have to be signed the rest of the year.

Contract-letting has an almost immediate effect on business. Prime contractors pass along some of the work to subcontractors, orders are placed for machine tools and components, construction is ordered, men are called back. Each new contract is the center of a rippling effect spreading new demands for materials and labor.

Many New Contracts Out

Important new contracts include \$100 million by the Navy to Chance Vought for the F8U-3, a 1,400 mile-an-hour fighter, for delivery in 1960. The Army has awarded Sylvania Electric part of the \$100 million to be spent this year on anti-missile missiles—a type of weapon that may soon be costing in the billions every year. Grumman Aircraft has won Navy approval for its designs of a new carrier based jet plane.

The step-up in military spending and contract is not devised primarily as an anti-recession move, of course. It is the result of Soviet advances in science and technology. But the effect on the economy is solidly on the side of business expansion.

The stimulants to housing are aimed directly at checking the

slump. So far they consist of these moves:

- Relaxation of Federal Housing Administration rules, allowing more borrowing under federally insured mortgages.

To Modernize Post Office

On another construction front, the Post Office Department is going to ask Congress to approve a broad program of modernization in the 50 largest post offices of the country. Starting with \$100 million in New York, this could reach a total of \$1 billion over the next several years and would be in addition to the regular departmental budget.

Spending for roads is on the

up-swing, too. A \$700-million rise above last year is in the works.

There's even a tremor of life in the long dormant lease-purchase method of financing public buildings. This is a program in which private persons borrow money, construct buildings, and then lease them to the government. An increase in the interest rates permitted on borrowed funds has resulted in a flurry of bids. A potential \$700-million worth of construction is involved.

Another form of business stimulant seems likely in the form of a 6% pay raise for federal employees. This alone would pump \$1.2 billion extra consumer

spending money into the economy. Congress wants to vote it, and the Administration is likely to go along.

The cumulative effect of such steps will be enough to turn the dip into a recovery movement. Administration officials are convinced. As a result, they will not recommend a tax cut to stimulate consumer spending though this idea is getting a scattering of support in Congress.

Any P.A. who wants an easy job can become a floor sweeper. He has no worry, never takes work home at night, and doesn't work too hard. Of course, his future is rather dim.

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"For long-run economy, the C&O buys Scott quality in carload lots!"

The Chesapeake & Ohio Railway Company *never* misses an opportunity to provide finer service to passengers. Quality standards here are very high indeed. As Mr. Hix says: "Scott quality is a recognized fact. We buy Scott products because they're good . . . have had nothing but compliments since we began using Scott." (And that's been many years ago!) In the end, Mr. Hix adds, Scott Towels give the C&O real economy over the long haul because of the "lower usage" factor.



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Humble Reduces Crude Oil Price

New York—Humble Oil & Refining Co. has announced a 10¢-per-bbl. cut in its Southwest Texas Crude Oil price. The reduction follows cuts by many smaller companies which caused a substantial volume of crude oil movement below Humble's posted price.

Humble is the largest crude oil buyer in the Southwest Texas area and the largest oil producer in the U.S. This reduction is a continuation and intensification of the weakened price structure that has existed in the oil market for many months. Prices have now dipped to the levels that existed before the general crude increases of January 1956.

Just look at what's happened. Early last January prices of refugio light crude were raised 35 to 45¢ per bbl. By mid-year 1957 Humble, Southern Mineral, Sinclair, and Suntide had cut prices from 10 to 18¢ per bbl. In December Southern Mineral, Sinclair and Suntide made 10 and 25¢ reductions respectively.

Although the above price cuts affect only Southwest Texas, the weakness is likely to spread throughout Texas.

Meanwhile from Dallas, Magnolia Petroleum Co. announced a 10¢ per bbl. reduction in its buying price for Illinois crude. The cut puts magnolia postings for Illinois basin oil at \$3.05 per bbl. The action by Magnolia follows similar reductions by Sohio Petroleum Co., Ashland Oil & Refining Co., Pure Oil Co., and Carter Oil Co.

Fulton Bag & Cotton Sells Plants to New Firm

Atlanta, Ga.—Fulton Bag & Cotton Mills has sold its St. Louis and New Orleans bag manufacturing plants to the Fulton Bag & Products Co., a new corporation with headquarters in New Orleans.

The new company will produce and sell multiwall paper bags, paper pockets, elastic multiwall bags, waterproof paper-lined bags, textile and burlap bags, canvas products and other specialties.

Trucking Again Rising

Washington—Intercity freight handled by trucks increased 6.5% in tonnage during the third quarter of 1957 over the similar period of 1956, according to American Trucking Associations. This gain followed a first-quarter increase of 0.7% and a second-quarter loss of 1.7% compared with 1956.

Twelve tiny lamps, each smaller than a kingsize cigarette, have been developed to emit a light source equal to 36 million candle-power for night aerial photography, reports Product Engineering, a McGraw-Hill publication. The lamps, housed in special reflectors, were tested recently in a patrol bomber flying at 20,000 ft. They provided enough illumination at night to cover 16 sq. miles, enabling a person on the ground to read a newspaper.

Ryan of IBM Speaks To Wilmington P.A.'s

Wilmington, Del.—John F. Ryan, data processing sales representative for International Business Machines' Wilmington office, was principal speaker at the Jan. 6 meeting of the Purchasing Agents Association of Wilmington.

Ryan discussed the RAMAC data computing machine and its function in purchasing, sales, ordering and inventory. He highlighted his talk with a film.

John W. McKinney, who presided at the meeting, announced that the P.A.'s will join with the Sales Executives Club of Wilmington in a joint dinner meeting on Jan. 27 at the Hotel DuPont. Eugene Perry, president of National Vulcanized Fibre Co., will speak on "Business Sputniks and Gravity."

N.A.P.A. Conference Planned for October

Akron—Annual conference of District 6 of the National Association of Purchasing Agents, will be held Oct. 9-11 at Akron. General chairman of the conference is Fred Onstine, purchasing agent for General Metal Powder Co. Sixteen associations in Ohio and Western Pennsylvania extending as far east as Pittsburgh and Erie comprise the district.

Brody of Mohawk Gets P. A. of Month Title

New York—The Purchasing Agents of the Radio, Television, and Electronic Industry have chosen Milton Brody as January purchasing agent of the month.

Brody is director of purchasing for Mohawk Business Machines Corp., manufacturers of specialized tape recorders and other audio equipment, and for two subsidiary companies, Mohawk Eastern Corp. and Carol Electronics, Inc. He has been in the electronics purchasing field for the past 12 years and has also performed other departmental functions. A long standing member of the P.A.'s association, he now heads its publicity department.

Walker Mfg. Sets Up Canadian Subsidiary

Racine, Wis.—Walker Manufacturing Co. has purchased Galt Metal Industries, Ltd., of Galt, Ont. The Galt firm will be operated as a subsidiary and will manufacture Walker auto exhaust system parts for the Canadian market.

L. C. Askerman, a Walker sales executive in the exhaust system division, will become vice president and general manager of the Canadian operation.

Oil Terminal Site Sold

Thrift, N. C.—Frank G. Bin-Swanger, Inc., industrial realty firm representing Kendall Co., has sold a large tract for a multi-million-dollar liquid petroleum terminal installation. The tract was sold to three oil firms—Esso Standard Oil Co., Shell Oil Co., and Plymouth Oil Co.

Steel Producers See Price Jump

(Continued from page 1) cused on steel profits and pricing last year, none yet admits publicly they plan another price hike round this year. But privately they say they want it and must have it to make up cost increases that have accrued over the past several years and keep a "healthy" profit margin to attract expansion capital.

A top official in one of the biggest U. S. producers was adamant in discussions with PURCHASING WEEK. "Steel prices are bound to go up in 1958," he said. "I don't see what can prevent it."

Sees Definite Increase

This source said he believes "we will see a price increase even if we are operating at below 50% of capacity" on July 1. That's the day steelworkers, who just collected a 5 cent-an-hour cost-of-living pay adjustment plus additional fringe benefits, collect another built-in contract pay raise. The direct wage increase due United Steelworkers' members under current three-year contracts next July will total 7¢, plus 2¢ more for incentives and increments. Other side benefits will raise total cost to companies to about 13¢ an hour.

With the steel market softer than expected at the start of 1958, producers indicated they would delay raising prices until the July deadline.

As Producers See It

Here is how producers and steel consumers in Pittsburgh, Cleveland, Chicago, and along the West Coast regard the impending price moves:

- A big buyer of electrical grade high silicon steel in Pittsburgh looks for a boost of 2 to 3 per cent. A top oil company purchasing agent in the steel capital said he expects an across-the-board steel price rise of about \$5 a ton and \$7.50 to \$8 on line pipe.

- An electrical manufacturer in Pittsburgh said his company will not increase inventories as a hedge against the expected July rise. "We might buy a little more toward the end of June. . . . That's all we will speculate on a price increase. You have to consider the costs of keeping a big inventory."

- A West Coast producer: "We're almost certainly faced with a rise in steel prices during 1958. If past patterns are any indication, the rise will probably be around 5%."

Depends on Labor

• A Western tool steel maker said the price of steel in 1958 "is anybody's guess; but if labor wins a substantial increase, there's going to be a corresponding increase in steel prices. There's no reason why the industry should absorb a dime of it."

- In Chicago, Inland Steel President Joseph L. Block refused to predict the price picture for 1958 but said this: "Current steel prices are inadequate. They do not permit a proper return on investments in new facilities which the industry must continually make for modernization and expansion."

- Generally, most Chicago area steelmen said they were looking for U. S. Steel Corp. to

set the industry's price pace.

- One producer, who refused to be identified even by general location, said his mill prices will definitely go up next summer "right after the new wage increase goes into effect." But he looks for the increases to apply to selected items, not all steel products.

Benefit From Competition

While the basic price structure has remained unchanged since last July, consumers have benefited during this period of slack demand through forceful competition among mills and warehouses to make sales. This has meant widespread freight absorption by both mills and warehouses plus stepped up delivery schedules to satisfy low inventory requirements.

Other producers attracted sales by cutting out a few extra charges and bringing their rates into line with competing mills. But so firm is the basic price level, even during periods such as the present 60% or less capacity demand, that one major producer commented: "We feel sure that an across-the-board cut in steel prices would not increase the production of steel by a single ton."

Reports of so-called "price wars" among warehouse operators have been mostly exaggerated. But there has been a surge or price cutting in the West Coast market, especially around Los Angeles, and to a lesser extent at Philadelphia.

Carbon Steel Price Cuts

Major Los Angeles warehouses cut prices on carbon steel products by about 15% in December, following smaller jobbers who made cuts as far back as September. Prices on hot-rolled sheet, strip, bars, and plates dropped about \$16 a ton for purchases of 20 tons or more. For smaller lots, the decrease was as much as \$15 a ton. Cold finished carbon bars were down \$15. Prices of alloy, stainless, and tool steel were not decreased.

In the Portland, Ore., warehouse, prices "more or less stabilized" last fall when warehousemen met price cutting by one source. Effect was to give buyers of any quantity over 1,000 lb. the same price as a 40,000-lb. buyer.

No Price Concessions

Some price-cutting was reported in the Buffalo, N. Y. market where warehousemen were beating the bushes for business.

At Pittsburgh, one of the biggest warehousemen said his business was off considerably, but he is making no price concessions. This source indicated warehouses which were reported making "drastic price" reductions in other areas, had been caught speculating on a market upturn.

"We don't have to cut prices if we give the best service and keep completed stocks," the Pittsburgh man said. "We are not cutting inventories. We're holding them."

In Chicago, Robert Nottleman, assistant to vice president—procurement at Joseph T. Ryerson, said: "We're not cutting prices or unloading. Some small outfits that are short of cash may be

buying secondary materials and selling them for what they can get. There are adjustments here and there in prices. But it's basically the same price."

Dow, Rio Form Firm For Mining Interests

Midland, Mich.—Formation of a new company, Rio Tinto-Dow, Ltd., has been announced by Dow Chemical of Canada, Ltd., and Rio Tinto Mining Co. of Canada, Ltd.

Initially, the new company will concentrate on the production of thorium and rare earths from by-product materials of uranium mining operations in the Blind River area of Ontario. The company plans also to explore other opportunities in these fields.

Rio Tinto has interests in uranium, gold, copper, and iron in Canada. Dow of Canada manufactures basic chemicals, glycols, latexes, solvents, and styrene at its plant in Sarnia, Ont.

Van Norman Acquires Digit-Ometer Concern

New York—Van Norman Industries has acquired the business of Digit-Ometer Co., Denver. The acquisition included patents, applications, inventory, tools, and dies. No employment contracts were involved in the purchase.

Digit-Ometer is the developer of Cal-Ke punch, a new electro-mechanical accounting machine. The machine is designed to bridge the gap between manual and automatic accounting operations.

The new business will be added to Van Norman's electronics division at Manchester, N. H. John Seick of Denver, former Digit-Ometer official, will head sales under the new arrangement.

Stauffer Chemical Co. To Build Acid Plant

Louisville, Ky.—Stauffer Chemical Co. has announced plans to build a large hydrofluoric acid plant at Louisville. Decision to build is based on the rapid expansion of demand for the chemical, used in refrigerants, aerosol propellants, aviation gasolines, rocket propellants, and as a processing agent in uranium refining.

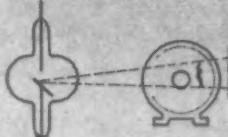
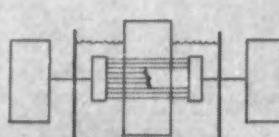
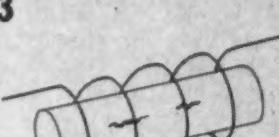
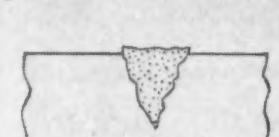
The plant will be located adjacent to Stauffer's Louisville petrochemical plant.

Fageol Ceases Operations

Kent, Ohio—L. J. Fageol, president of Fageol Products Co. said the firm suspended operations on Dec. 31, at Kent. He reported that Fageol's marine engine inventory has been sold to Crofton Diesel Engine Co., San Diego, Calif.

Up to a certain salary, \$4,000 to \$5,000 a year, a man is paid for what he does. Above that figure he is paid for what he knows and for the responsibility he takes. The smart purchasing agent takes as much responsibility as he can safely handle.

How Nondestructive Testing Techniques Compare

1	WHERE USED	ADVANTAGES	LIMITATIONS
	To inspect welds, castings, forgings, electrical assemblies, core placement in molded parts, tires, electronic components. Materials: All metals, plastics, leather, wood, other substances.	Almost any problem can be handled in many materials and in different thicknesses. Portable units available.	Indication may show on film but details in relation to surrounding material not always clearly indicated. Safety precautions needed.
	Resonance: Dimensional control of parts and materials. Tests bond in brazed joints. Pulse: Sub-surface defects. Immersion: Objects of high-sound absorption. Materials: Metals, glass, plastics.	Resonance: High sensitivity to changes in material thickness. Pulse: Portable equipment. Access needed from one side of part only. Immersion: Fast means of inspecting many kinds of parts.	Resonance: Maximum material thickness, 4 in. Pulse: Rough work must be finished before method can be applied. Immersion: Only existence of flaw shown, not depth or nature.
	Production quality control. Maintenance inspection. Salvage. In all fields and types of industry. Materials: Ferromagnetics only.	Positive method for finding crack-like defects at surface. Method is flexible, economic. Portable equipment available. Can be set up for continuous inspection of production.	Works only with magnetic materials. Does not indicate deep-seated small defects.
	Dye: To find flaws on part surfaces. Fluorescent: Castings, forgings to find fatigue and service cracks. Soundness of welded joints. Materials: Metals, plastics, ceramics.	Dye: Fast on the spot inspection during shutdown periods. Relatively inexpensive in initial cost. Fluorescent: Finds defects on rough surfaces. Easy operation and detection. Marks location and size of defect on part.	Dye: Only indicates surface defects. Fluorescent: Used only with nonmagnetic materials. Will detect surface defects only.

The new techniques outlined above make possible product testing without slowing production or taking the product apart. Called non-destructive tests, they can be divided roughly into four categories: x-ray, ultrasonic, magnetic particle, and, penetrants.

1. X-RAY—This has long been a medical tool. But industry is now beginning to buy up a larger share of x-ray equipment.

Here's how x-rays are used: They are beamed into the part being inspected. Some, but not all, x-rays will pass through depending on the density of the part's material. A flaw is less dense than the surrounding material; so it passes more x-rays. Film placed behind the part and in the path of the x-rays picks up the rays as they emerge. A flaw shows up on the film as a dark image against a lighter background. But a skilled operator is needed to read the film or error is likely to result.

X-Rays Have Some Limitations

Industrial x-ray machines can be used to test welds, castings, and forgings for porosity, blowholes, and inclusions. X-rays are also useful for testing plastic parts that have to meet stiff electrical requirements. And final assemblies can be inspected to show the condition of hidden parts.

There are some limitations. Deep breaks are not revealed unless the x-ray penetrates at the correct angle. Laminations, too, don't always show up. And safety measures are necessary as x-rays are very dangerous and burns from them are almost impossible to cure.

In size, x-ray machines range from portable units to huge crane-mounted machines. They are rated in terms of voltage input; the higher the voltage input,

the more penetrating are the rays. A 50 or 100-kv unit can be handled by one or two men. Larger sizes must be handled by special equipment. But today's design still permits much portability.

Cost for a typical x-ray inspection setup ranges from \$5,000 to \$40,000. This covers the most-used units—from 50 to about 500 kv—and their accessories. Bigger units than these are available for use on big castings such as those found in rolling mills and steam turbines. Here cost can run into six figures when accessories are included.

Special Equipment Available

Besides the basic x-ray generator, power supply and controls, a darkroom is needed to process the film. Film holders and a light box for viewing the film are other necessities. Handling equipment varies all over the lot. Standard equipment usually consists of a wheeled stand that supports the generator. But special equipment can be obtained to meet the needs of a particular plant.

2. ULTRASONICS—High-frequency sound waves when beamed into a solid are slowed down by flaws. The flaw reflects part of the sound waves back to a measuring instrument while the balance of the waves travel to the back end of the part where they, too, are reflected. Flaws can be located by comparing the time it takes the two sound waves to make a round trip.

There are two general types of ultrasonic testing: resonance and echo. Resonance testing can control dimensions of parts when mechanical means will not work. Spun or drawn parts are checked by this method. It is also used to test bond in brazed joints and to reveal laminar flaws.

Echo testing is applied either by the immersed or the contact method. The former provides high-production inspection of tubes, bars, and small parts. Both the part under test and the ultrasonic generator and receiver are immersed in a liquid—water, oil, etc. There is no direct contact between the ultrasonic generator and the part.

Contact testing equipment is especially useful in the field for testing heavy or assembled parts. It is usually portable, weighing from 35 to 100 lb.

Immersion testing, in turn, breaks down into two types: echo and transmission. About 90% of the inspection done in the air frame and metal industries uses the echo method. The transmission method is important for inspecting objects of high-sound absorption such as extruded powder parts. Also, it can find laminations in thin metal stock.

What Ultrasonics Can't Do

There are some things ultrasonics cannot do. The resonance method cannot be used on materials thicker than 4 in. Inner and outer surfaces of the part being tested must be nearly parallel. The pulse method will not work on very rough or pitted surfaces. With the immersion method tests show only the existence of a flaw but not its depth or nature.

Equipment prices have quite a range. For instance, a ready-to-use portable ultrasonic echo tester is priced about \$4,500 by the Curtiss-Wright Corp. An immersion-type tester will cost about \$10,000 while custom-built testing facilities can top \$50,000.

Sperry Products, Inc., operates a commercial ultrasonic testing service. The company brings portable equipment into the customer's plant for maintenance

tests, or it will set up a semi-permanent installation for continuous inspection of production. Sperry also offers laboratory facilities where inspections can be made to customer specifications.

3. MAGNETIC PARTICLE

—This technique finds non-visible narrow cracks at or near the surface of a part. It works this way: Breaks or flaws in a magnetized part will set up local magnetic fields. These local fields, and the flaws that cause them, can be revealed by the way iron powder is attracted to them.

The part can be magnetized either by direct or alternating current. The former finds subsurface discontinuities while the latter locates defects at or near the surface. Welds and castings are commonly inspected with direct current. Alternating current is used for inspecting highly machined parts. Direct current does not work satisfactorily for this application.

Each Has Its Advantages

Two methods are available: wet and dry. In the wet method a paste of iron powder and oil or water is made. The part is dipped, or the mixture is poured over the piece. This method shows up tiny surface breaks and is particularly effective on parts during manufacture. The dry method is more sensitive to subsurface defects. Here, iron powder is dusted or blown over the surface. Welds, large forgings, and castings having rough surfaces generally lend themselves to the dry method.

Fluorescent powder is often used with the wet method. It permits a speedup in inspection rate. Ultraviolet light causes the defect to stand out brightly.

The magnetic particle inspection technique can be used only

on parts made of magnetic materials. And it will not locate small deep defects. But the method is flexible, and portable equipment is available.

Magnflux Corp., Chicago, makes a wide variety of equipment for magnetic particle inspection. Smallest is a portable unit designed for inspection of large weldments or maintenance. Its price is \$195. Larger or specialized equipment can cost as much as \$50,000. Either automatic or hand-processing types in different capacities are available.

Magnflux Offers Service

The company also provides a commercial inspection service. Inspections can be made either in the customer's plant or in Magnflux's laboratories. The customer pays for this service either by the piece or by the hour.

4. PENETRANTS

—There are two kinds of penetrant inspection: dye and fluorescent. In the dye method the user applies the penetrant to a clean dry surface and lets it soak for a while. The dye penetrates surface defects. Excess dye is wiped off, and a thin coating of a developer chemical is applied. The developer draws the dye to the surface much like a blotter. Contrast between the color of the developer and the dye penetrant clearly outlines surface flaws.

In the fluorescent method, the penetrant is applied in much the same way as a dye penetrant. But the surface is inspected under ultraviolet light. Cracks or flaws glow brightly under this light.

In either method—dye or fluorescent—the penetrant can be applied by dipping, brushing, or spraying. Turco Products, Inc., Los Angeles, puts out a \$40 dye penetrant kit that can put a small

user in business. The kit consists of nine spray bombs containing penetrants, remover, and developer.

Dye penetrant in 55-gal drums costs \$750; remover costs \$90 to \$95, and developer about \$380. One company spends between \$200 and \$300 a month on dye penetrants testing materials for testing about 2,000 4-lb castings.

The Met-L-Chek Co, Los Angeles, eliminates the dye remover from its inspection process. Applications and techniques are the same as for the Turco process. Met-L-Chek offers special purpose dyes. For instance, one special dye is sulfur free and is used to test high-nickel alloys. Sulfur in the dye would cause the alloy to crack in use under heat and pressure.

Magnaflux Corp makes both fluorescent penetrants and the equipment needed for an inspection setup. Simplest of the company's products is the Zygo portable kit. All materials are packaged in spray cans. Kit comes complete with an ultraviolet light source. Price is \$195. Other Magnaflux equipment ranges from an automatic inspection line to a compact line for inspection of small parts.

Materials, such as ferromagnetics, nonmagnetics, plastics, ceramics, enamels, and unfired clays, lend themselves to testing by both the penetrant techniques. One advantage is that they provide on the spot inspection during overhaul or shutdown periods. And they are relatively inexpensive in the initial cost.

Penetrants, however, will locate flaws on the surface only. The dye type is not very practical on rough surfaces. On the other hand, fluorescent penetrants provide detection of defects on rough surfaces.

German Chemical Sales Hit \$4.2 Billion in 1957

Bonn—Chemical sales in Germany for 1957 are expected to reach about \$4.2 billion, approximately 13% over 1956, according to a report of the Association of the German Chemical Industry. In contrast to other German industries chemical manufacturers' prices have increased by only 7.5% over 1950 prices, compared with total German industry price increases amounting to 24%.

Chemical exports for 1957 are expected to amount to \$1.07 billion. In 1957 about 26% of chemical sales were exported as against 25% in 1956. Only 12.7% of total German industry exports was contributed by the chemical industry as against 15% in previous years and 18% before the war.

British Industry Output Goes Up 2%, Incomes 5%

London—British industrial output during the first half of 1957 rose 2% while incomes went up 5%, compared with the corresponding period in 1956.

A treasury report says that since early 1957 British imports have become cheaper. By October, prices of imports were "at least as low" as the previous year. Food import prices are now below the 1954 average, the report says.

Japan's Scrap Iron Import Total From U.S. to Hit 2.36 Million Tons

Tokyo—Japan expects to import 2.96 million tons of scrap iron, including 2.36 million tons from the U.S., in fiscal 1958, starting April. Of the American share, 1.5 million tons will consist of No. 1 heavy melting steel scrap, and the rest No. 2 bundle scrap.

Under a newly formulated 5-year steel program, Japanese steel production will increase from 12.5 million tons in fiscal 1957 to 20 million tons in fiscal 1962. But at the same time, scrap imports will rise only slightly—from 2.7 million tons in fiscal 1957 including 2.07 million tons of American scrap, to 3.05 million tons five years later, of which 2.645 million will come from the U.S. Throughout the period, Japanese demand for No. 1 heavy melting scrap will remain at approximately 1.5 million tons annually.

Pig iron will replace imported scrap iron to a large extent under the five-year program with production scheduled to increase from 6.7 million tons in fiscal 1957, to 11.9 million in 1962. This will be made possible through construction of 11 new blast furnaces during the period to augment the present 25.

Iron and steel exports to the U.S. for calendar 1958 are ex-

pected to total 103,000 metric tons valued at \$20,220,000, fob. In 1957, estimated exports to the U.S. were 77,000 metric tons valued at \$17,350,000 fob.

But though an over-all 30% increase in quantity is anticipated, exports of wire nails and wood screws were not expected to rise due to voluntary restrictions placed in the wake of American charges of dumping. About 22,000 metric tons of wire nails and 1,000 metric tons of wood screws went to the U.S. in 1957.

Steel plate exports will rise sharply, from 1,000 to 12,000 metric tons, steel tube from 5,000 to 9,000. Ferroalloys earmarked for the U.S., representing 50% of Japan's iron and steel exports to this country, will jump from 32,500 to 39,000 with ferromanganese shooting up from 22,000 to 27,000. Other steel items are expected to increase from 15,500 to 20,000.

Price of steel is likely to fall about 20%. Thus the average unit price of ferroalloys is estimated to drop from \$255 to \$230 per ton (ferromanganese from \$250 to \$225), steel plate from \$180 to \$130, steel tube from \$216 to \$190, wire nails from \$180 to \$160, wood screws from \$512 to \$460, and other steel items from \$215 to \$200.

Egypt's Assembly Downs Ban on Cotton Exporting

Cairo—The Egyptian National Assembly and Deputy Hussein Gaarany have not seen eye to eye on a proposal banning the export of Egyptian raw cotton abroad.

The Assembly turned down the proposal which said no raw cotton should be allowed to be exported or sold abroad and that Egyptian cotton should be exported only in the form of yarn and textiles made by Egyptian plants.

Gaarany claimed his proposal would enable Egyptian textile factories to produce at full capacity thus providing employment to many more workers.

Egypt depends mostly on her cotton exports to get badly needed hard currency, help her trade deficit, and carry out barter transactions.

Canadian Al. Plant Goes into Production

Montreal—New smelter of Canadian British Aluminium Co., Ltd., poured its first ingot three weeks ago. This marked completion on schedule of the first of four construction stages of the plant which will eventually have a capacity of 180,000 short tons of aluminum annually.

It came less than two years after site-clearing began on the big project, in which British Aluminium Co., Ltd., and Quebec North Shore Paper Co. own a controlling interest.

Each of the four stages of smelter construction will bring in 45,000 short tons of ingot annually. The first two are now expected to be in full operation by

the spring of 1959. Decision on construction of the third and fourth stages is to be made later.

Netherlands to Make Polyethylene in 1958

Amsterdam—The Netherlands State Mines plan to start large-scale production of plastic polyethylene towards the end of 1958. It will be marketed under the name "Stamylan."

A factory, now in construction, will have an annual capacity of 7,000 tons.

The State Mines have been manufacturing polyethylene for some time in a pilot plant by the low-pressure or Ziegler process. Production in the new factory will be by means of the I.C.I. high-pressure process.

Stamylan will be used for the manufacture of pipes, house-hold goods, packing forms, wire and cable sheathing, bottles, etc.

Britain on Way Here To Sell North America

London—Sir David Eccles, president of Britain's Board of Trade, has departed on an overseas selling mission to the United States, Canada, Mexico, and Venezuela.

Sir David said he was visiting Canada as a follow-up to the Canadian Trade Mission's tour of Britain last month.

Referring to Venezuela and Mexico, he said these two countries are making "tremendous economic progress". Britain can offer them some things "cheaper than the United States," he added.

These include ships, electrical equipment, capital projects, and nuclear power plants.

This Week's

Foreign Perspective

JAN. 13-19

London—The British government is becoming more sensitive to market conditions. That's apparent from the recent action once again putting off sales from the copper stockpile.

Board of Trade action was in response to falling copper prices. It isn't expected to shift copper prices, but the decision is an indication that the government is watching the market more closely. For that reason it's welcome news here.

That wasn't the biggest New Year's surprise for the British commodity market, however. That honor went to the Canadian decision to add to future supplies of aluminum.

News that the new aluminum smelter at Quebec had started successfully on its first production stage, with an annual capacity of 40,000 tons, startled observers here.

With aluminum demand falling, production from the new smelter certainly isn't expected to help prices much.

But buyers here feel it indicates one thing: Aluminum producers are confident that in a year or two the world's surpluses will disappear.

Londoners think end of glut may already be in sight for tin. They're betting there's a strong price rise ahead.

Here's the reasoning: The International Tin Council's restrictions on free world tin exports will start to hit the markets toward the end of January.

That's the same time the council is due to hold another powwow. If the producers decide to stretch the restrictions another three months beyond March 14, it could be the signal for the start upwards.

One thing seems certain—London spot won't be forced under the floor price \$2,044 per ton cash unless demand proves dramatically weaker than anticipated.

Lead and zinc prices are drifting despite recent cutbacks.

Platinum appears to be an exception at the moment. The recent 40% output cut announced by Rustenberg, the world's biggest producer, seems to have brought some stability here. But remember there's still a world surplus.

As far as other commodities are concerned, British purchasing agents still are buying only needed supplies in the belief that prices are going to fall further in the new year.

That attitude itself can hold back prices. Recent output cuts by some producers hiked levels slightly, but the cutbacks soon were discounted. Since then movements have been sporadic.

Summing up, prices are sagging in London as the year opens. And no one here looks for a general upsurge until the tempo of free world industrial activity picks up.

That's why everyone is keeping a close eye on the United States.

India Plans to Send U.S. 200,000 Tons of Sugar

Bombay—India may export 200,000 tons of sugar to the U.S. according to an official of the Indian Sugar Mills Association.

The association, which arranges all foreign transactions in sugar, feels the only reason why the "ample U.S. potentialities" have not so far been exploited by Indian manufacturers is the restriction imposed by the American Sugar Act of 1948. The act restricts U.S. imports to a few countries like Cuba and the Philippines. Indian manufacturers appear to have been tipped off to the fact that these two countries only supply the U.S. with 4.5-million tons annually; whereas its total annual requirement is around 9.5-million tons.

By reducing costs at the source of purchase, the Indian Sugar Association is confident it can make Indian prices competitive despite

the heavy shipping tolls. U.S. Embassy sources here, however, do not see how the association is going to overcome the likely opposition of countries like Cuba to any deviation from the American Sugar Act.

40,000-Ton Aluminum Plant in Germany Closes

Bonn, Germany—One of West Germany's four aluminum works has cut production 30%, mainly as a result of world market conditions.

Lippe Aluminum Co. of Lünen, Ruhr, third largest of the four, has a capacity of about 40,000 tons a year. Industry sources said the cut resulted from users of aluminum drawing on stocks.

Large supplies recently available, the sources added, had led to increased international competition. But further production cuts were regarded as unlikely.

Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Print Order This Issue 28,000

Time and the Purchasing Agent

You probably are familiar with the advice: "If you want to get something done, ask the busiest man you know to do it." And, no doubt, you've heard the smart alec postscript: "... and he'll give it to his secretary to do."

You can't quarrel with the fact that a good secretary is a tremendous help to a purchasing executive, but even with such help every P.A. has a time problem. It just seems that there are too many people to see, too much material to read, too many operating problems to solve, too much of this, and too much of that.

We on PURCHASING WEEK naturally are interested in your reading time. That's a key reason why your new publication is published in newspaper format. Research (meaning hundreds of interviews with men in the purchasing field) showed us that you want factual material in an easy-to-read style.

Research also brought out that you, Mr. Purchasing Executive, are a man of broad interests. You are vitally interested in anything and everything that has an immediate effect upon the purchasing function. But because a good purchasing executive is a man of vision, you are interested also in what goes on beyond the immediate confines of the purchasing department. You know that a foreign event, for example, may be the straw in the wind that spells out a material shortage six months from now.

You know also, even if your company is a small one, that the systems, devices and equipment, which seem today to be designed exclusively for the larger firms will be in your bailiwick tomorrow. A good example of this are the "miracle machines" that have "memories" and solve problems electronically. Just a short while ago, you couldn't even think of buying such a machine unless you were prepared to spend hundreds of thousands of dollars. Today, you can buy a machine for a relatively small amount.

When you look over the article and picture story on computers (starts in Product Perspective, page 27), you'll undoubtedly "dream up" many applications for such a machine in your company. Here, then, is material not directly affecting all purchasing today but definitely interesting to the alert purchasing executive who knows that at tomorrow's management conference he can make a contribution that will prove he's up-to-date.

That purchasing executives are desirous of making more and more contributions to top management thinking was brought out again and again in PW's readership studies. That's why, as you read through PW's pages, you'll find material on a variety of subjects—all designed to help you.

Yes, we recognize that you have a time problem. However, the readership research of a sister publication brought out an interesting fact that we think proves it pays to read. To check on why subscribers did not renew subscriptions, the publication mailed out cards to non-renews. In one mail, two cards were returned. They were from the same company. One respondent wrote: "I did not renew because I haven't time to read."

The second man wrote: "I guess I just slipped up on renewing. I wouldn't be without your publication; it helps me in my business."

Yes, the cards came from the same firm, but the first card was written by a man who works under the direction of the second man.

Could it just be coincidence that the man who is the "boss" takes time to read while the other man does not?

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"Mr. Agent, I know you're not busy; so you won't mind serving on the Nuts and Bolts Committee."

Profitable Reading For P.A.'s

"Reading Maketh a Full Man"—Bacon

Good Business Writing

Written Communication In Business. By Robert L. Shurter. Published by McGraw-Hill Book Co., 330 West 42nd Street, New York, 36, N. Y. 490 pages. Price: \$6.00.

This book was written for two types of readers who wish to accomplish two specific aims. With careful reading and application it will undoubtedly enable them to do just that.

It is directed at college students taking business courses and readers currently engaged in business careers. It aims to help both achieve higher standards of performance in business writing and to erase any reluctance to write.

The author presents a comprehensive treatment of the most widely used forms of business writing—the letter, the report, and the memorandum.

To help the reader to understand better these forms and the associated skills of dictation and reading, the author discusses them thoroughly in the first section of the book. In subsequent sections he applies them to specific types of writing.

The text also contains examples of actual letters, reports, and memos written by business people. Then, the reader is brought closer to his twin goal with a Project Section—eight business problems for him to think and write about.

The author presents a realistic approach to what actually goes on in everyday, practical writing which is so vital to American business. Experts from many fields in the business world have helped the author make his book a must for the energetic student and businessman of today.

Education and Executives

Toward the Liberally Educated Executive. Edited by Robert A. Goldwin in cooperation with Charles A. Nelson. Published by The Fund for Adult Education, White Plains, N. Y. 110 pages.

This book, the first of three designed to demonstrate what liberal education really is and what it has to contribute to executive development, is likely to affect the reader as does the proverbial "salted peanut."

Once the taste of this broad, new scope of learning whets his appetite, he will undoubtedly continue digesting

the pages until he has completed all three books in the series.

The Fund for Adult Education published this book (the other two will follow) to answer arguments pro and con about the role played by liberal education in the development of executive talent for business.

The 16 articles, written by noted educators and top business executives, illustrate three propositions fundamental to an understanding of the need for such learning in our time.

First, the tasks confronting executives today, and even more so tomorrow, "are of a magnitude that cannot even be properly grasped, let alone successfully dealt with, except by men with 'big' minds."

Second, "bigness" of mind can only be cultivated through the liberal studies; that is, those areas of knowledge "which enlarge the understanding and deepen the insights of men with regard both to men themselves and men in their social relationships."

Third, the needs of men for understanding and insight are never wholly met. Therefore, liberal education "should be continuous throughout life."

The educators admit that executive development cannot be based entirely on liberal education. Two other types of knowledge are also required:

General vocational knowledge acquired in schools and specific vocational knowledge acquired "on the job."

General Information

Information Please Almanac, 1958, New York Journal American.

Planned and supervised by Dan Golenpaul Associates. Published by The MacMillan Co., New York City. 960 pages. Illustrated. Price: \$1.25.

"Information Please Almanac" is not an almanac. It is a reference book that belongs on the book shelf of every purchasing agent. This book will help every P. A. more in his personal life than it will in his profession. It will keep him informed about what happened before Nov. 1, 1957. The one weakness of the book is that its statistics end Oct. 31, 1957, instead of on the last day of the year.

PURCHASING WEEK Asks You . . .

Which do you believe is the better background for purchasing—business administration or engineering? Why?



D. O. Williams
Federal Telecommunication Laboratories
Nutley, N. J.

"Five years ago I would have had to say business administration. Now, it would have to be a combination of both. Schooling and education in business administration should be combined with some engineering education, some background, not necessarily a degree. This is essential in the electronics industry. So many technical problems arise in research and development work that a well-rounded knowledge is mandatory."

Roy E. Greensmith
Texas Eastern Transmission Corp., Shreveport, La.

"The ideal background for a purchasing agent in a large corporation would be a combination of both. Understanding of basic mechanical terms is a requirement; however, knowledge of the operation of all accounting detail and coordination between departments is a very important function of purchasing. As contact man for his company and many vendors, the purchasing department also promotes public relations. If a choice of background were necessary, business administration would carry the weight."



L. R. Bailey
E. I. du Pont de Nemours & Co., Inc.
Wilmington, Del.

"The particular purchasing area to which a man is assigned should determine the preferred technical background. On equipment an engineering background is helpful—on chemicals a chemical background. But for price-volatile commodities, the most important qualification is a sensitivity to price-affecting factors stemming in part from training in economics. Business administration training should be helpful in the broader field where specialization is not practical."

Howard J. Heffernan
Monsanto Chemical Co., St. Louis

"Because of the technical nature of our business, an engineering background is extremely helpful but a commercial or business inclination is absolutely essential. Give me a technically trained man with a strong desire to be a purchasing agent, and I will train him to be a business man. A technical education, however, requires a college program and 19 people in our purchasing and traffic department are extending their present educational backgrounds by attending night school with tuition-payment support by Monsanto."



Wilson H. Oelkers
Philco Corp., Philadelphia

"A background of both would be highly desirable. Overly simplified purchasing is concerned mainly with procurement within schedule of materials—services of a predetermined specification and at the most advantageous price to the buyer. Purchasing concerns itself mainly with the commercial aspects while engineering delves into the design and technical areas. Frequently negotiations are successfully consummated between buyer and seller as a direct result of engineering knowledge complementing the business background."

H. Robert Grabert
Eastman Oil Well Survey Co., Denver

"If it were a choice between engineering or business administration, I would choose business administration. The average engineer is apt to be a little bit of an introvert unless there is some activity to broaden his thinking. The best purchasing operation, of course, would be to have employees with experience in both fields. Business administration gives you the right attitude, I believe, for purchasing. You need public speaking and other training that fits you for meeting business associates."

How to Get More Out of Purchasing Week

Calendar Prods You to Meetings

The Meetings Calendar in PURCHASING WEEK should serve as a constant reminder that every purchasing agent should attend regularly some meetings in his profession and industry.

The cynical gentlemen who say that they never get anything out of going to meetings are practically saying, "I know it all." This will be doubted by some of the smartest and best paid purchasing executives in the country. They often attend a score or more meetings a year, participate in the programs, and take an active part in the committee work that goes with them.

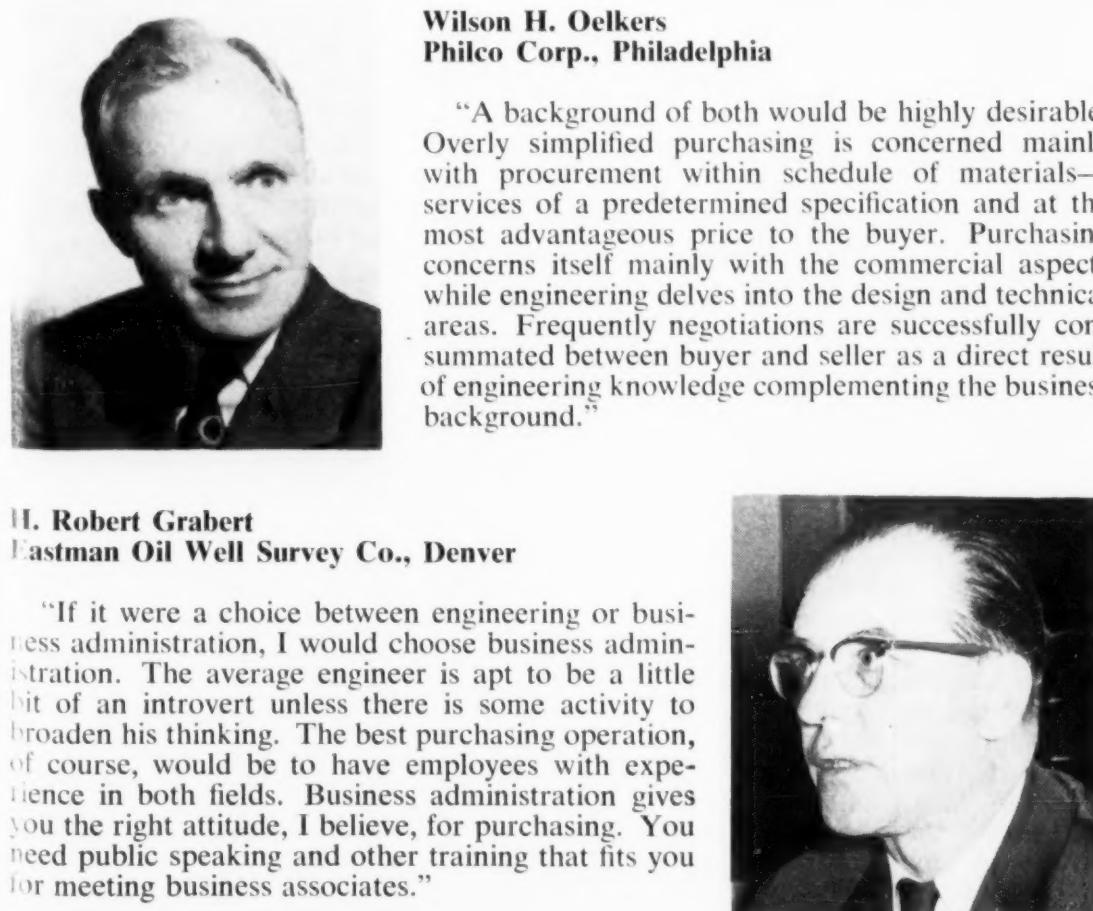
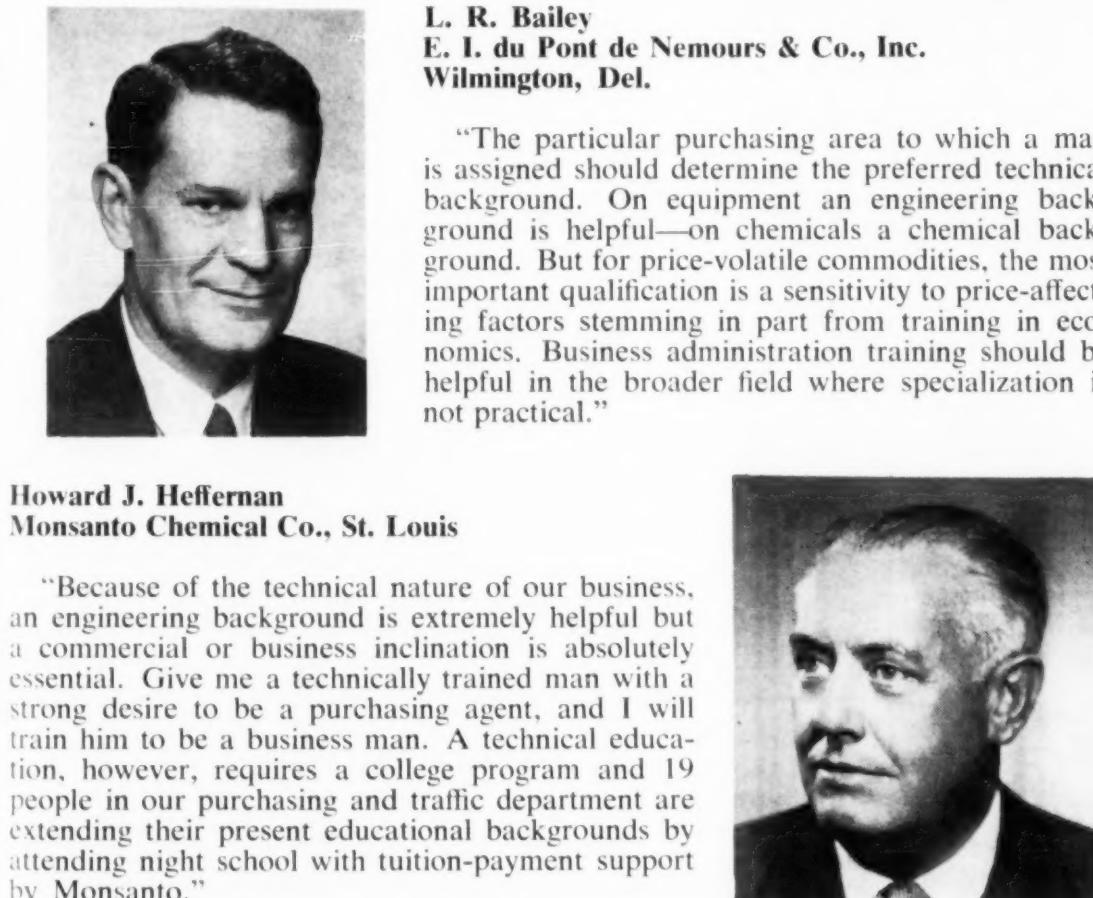
Program committees work hard to get the best speakers available. They try to get men who in the committee's opinion have something of value to tell their audiences. The speakers usually spend

a lot of time and effort so that their audiences will not be disappointed.

Actually the formal program is only a small part of any meeting. The informal one can be equally valuable or even more so. It gives you an excellent opportunity to meet your colleagues and build up your reputation in the purchasing profession.

As problems in the profession are usually universal, you can "talk shop." The others may be able to help you; you may be able to help them. Getting their experience with new products and processes can aid you no end.

What is more important, any meeting will get you away from the office and your routine work. A bit of relaxation is good for any man, and especially for a purchasing agent.



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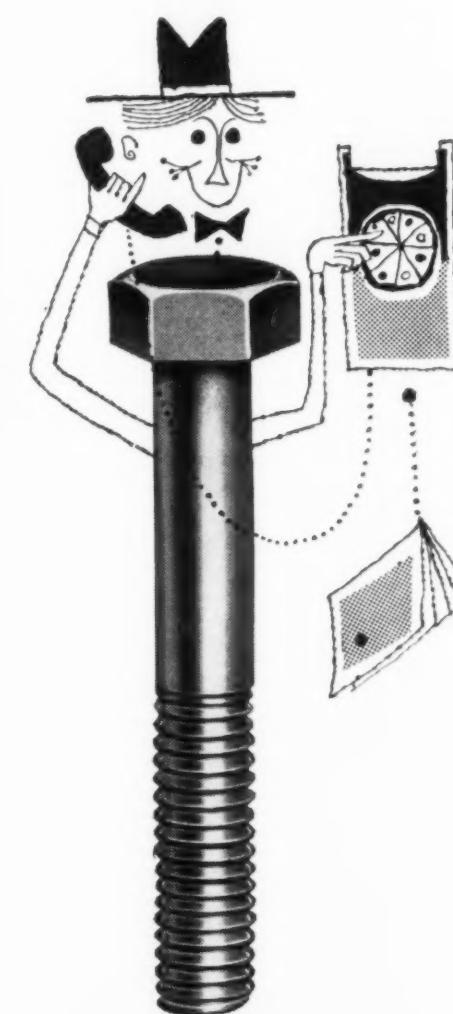
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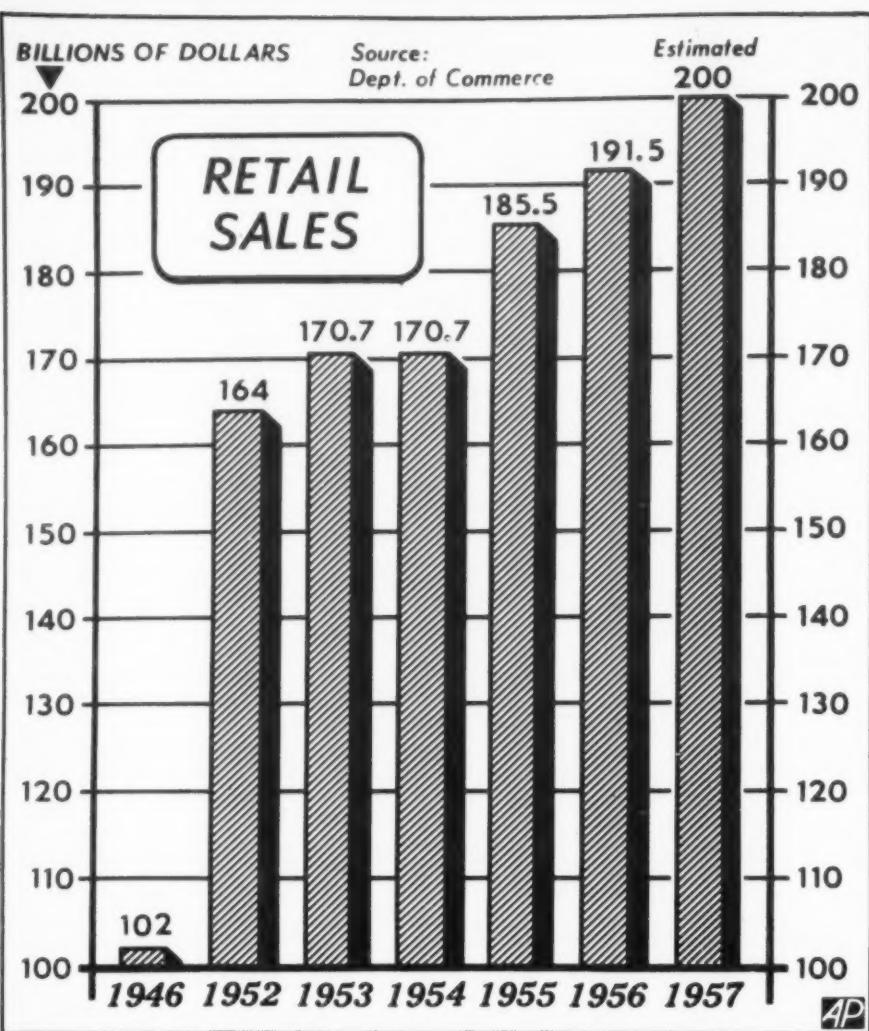
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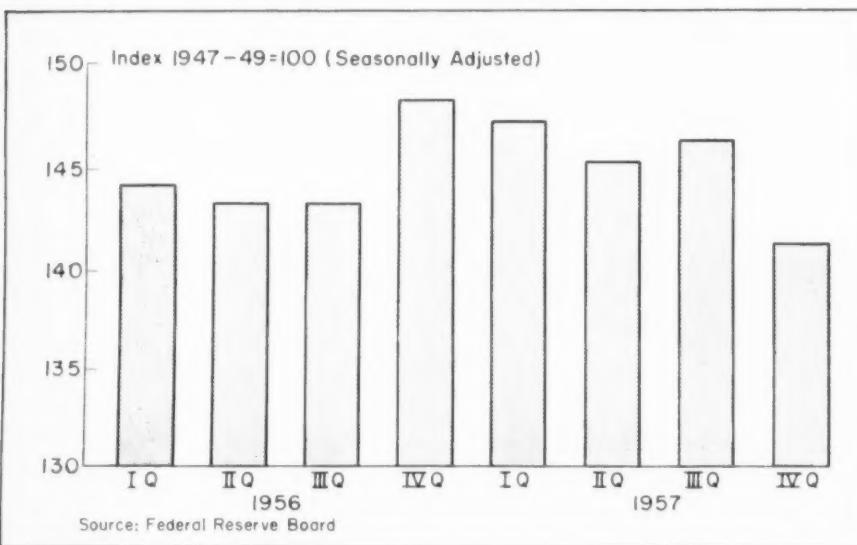
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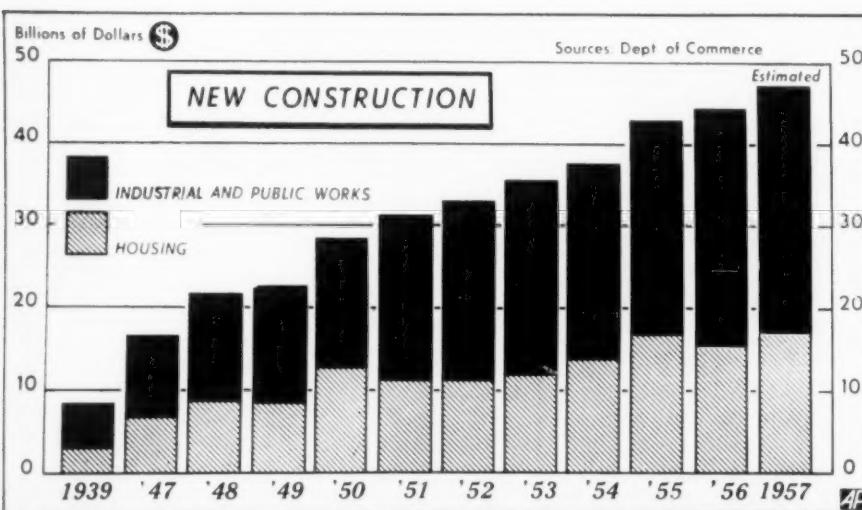
Retail Sales Will Remain Close To '57 High

Retail sales in '58 should match '57's record high of some \$200 billion. Although the physical volume of goods sold will remain relatively level, you can look for some significant changes in the types of purchases. Apparel, new homes, dairy products, meat, poultry, tobacco and shoes will take a larger share of spendable income in '58. Faring somewhat worse than last year will be: autos, agricultural equipment, appliances, drugs and home furnishings.



Production Index Drops to New Low

Production cutbacks have a two-fold aim: To reduce inventories to more workable levels and to bring output in line with industrial and consumer demand. They will keep goods from piling up and keep overall price level from falling too far below current levels. Fourth quarter hard goods cuts are centered in autos, steel and machinery. Soft goods weakness is reported in the textile, apparel, and petroleum refining industries.



Construction Outlook Continues Bright

Total construction outlays have jumped every year since 1947. They will jump again this year. Total 1958 outlays should top \$49 billion—4.7% above '57. Latest ENR contract awards reveal the public works will fare best (See story, page 3). Generally weak building material prices could firm later in the year.

Auto Producers See Problems Clouding Future

(Continued from page 1)

Authoritative Ward's Automotive Reports predicts a total of 5,300,000 passenger car assemblies for the year, a drop of 700,000 from earlier industry forecasts. This is a relatively dismal figure compared with 1957's 6,115,467, the fourth best year on record. But add the steadily mounting volume of imports—expected to touch 300,000 units in 1958—and 1958 won't be such a bad automotive year after all.

The trouble is that Volkswagens and the like make only an indirect contribution to the U.S. economy. The 1,500,000 tires and the 450 million lb. of steel used in their manufacture do not come from Akron and Pittsburgh. Looking at it another way—Walter Reuther's UAW members are out of pocket a good many wage dollars.

American Motors Up 17%

With tentative first quarter programming down 100,000 units at both Ford and Chrysler and GM showing signs of slipping after a strong start, only bright spot is American Motors. AMC is up a whopping 17% and in the black for the first time since its formation.

The exception to the current industry trend, AMC president George Romney reasons:

"The industry as a whole has not offered products with the sales stimulus that would be provided by appropriate attention to changing consumer needs and desires."

Smaller Cars Popular

Romney thus calls attention to his concept of the smaller, lighter, compact car, as produced by AMC in various forms, and indirectly to the import volume.

While foreign car imports are one of Detroit's growing ulcers, another troublesome ache is not so much the slight recession widely predicted for the first half of 1958 but the talk of it.

Consumers Lack Confidence

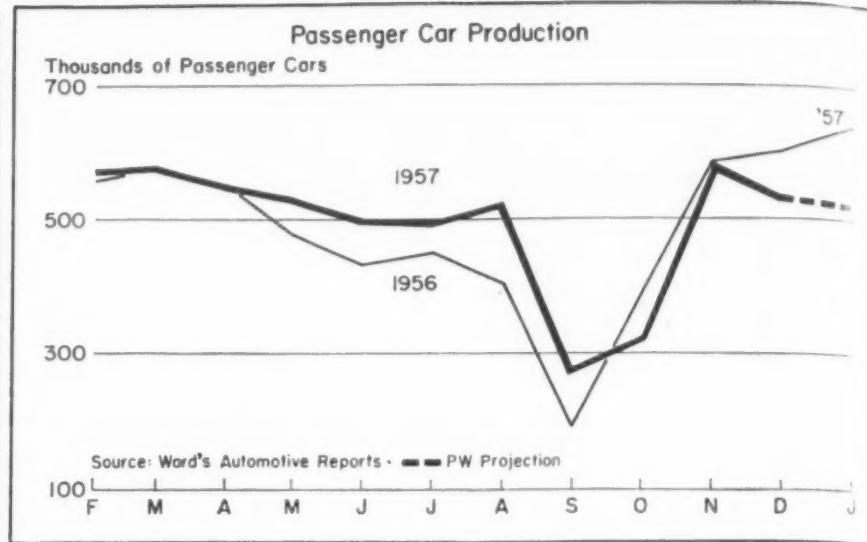
Lack of consumer confidence is how the industry attributes the pain caused when ordinary folk, after reading dismal forecasts, hold back from buying anything but vital necessities.

A 700,000-car drop in auto production has far reaching effects. It means nearly 2 million less tons of steel consumed, 3 1/2 million fewer tires, 2 million fewer pounds of aluminum, 20 million square feet less safety glass, on down to 700,000 fewer cigarette lighters.

It is difficult to determine whether the drop in auto output is due entirely to a combination of price resistance and lack of confidence on the part of the car-buying public. But Romney's charge that the auto industry in general hasn't the product to compete spare-dollar-wise with upstart luxuries, such as color TV and swimming pools, deserves serious consideration.

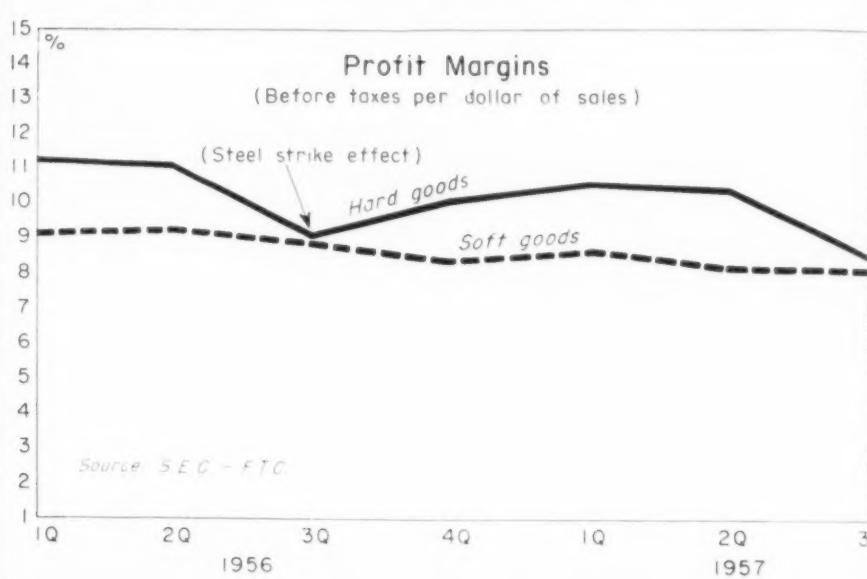
Labor Pacts Up in May

Complicating this is the inevitability of another round of wage increases resulting from auto industry labor pacts that come up for renewal in May. Reuther then will start on the road to a four-day week for UAW members by asking for



Drop Noted in Auto Output

Auto production is dropping sharply as sales totals show a post-new-model decline. Output is likely to lag well behind 1957—with a cut of well over 500,000 units likely. Rising popularity of foreign cars will add to the woes of automakers. For P.A.'s it means softer demand from Detroit for numerous raw materials. It could hold lead, copper, steel, aluminum, and zinc tags back. Cautious buying is in order in most of these areas.



Margin Drops Will Put Pressure On PA'S

The dip in profit margins heralds further belt tightening for all corporate activities. Both durable and non-durable producers are feeling the pinch. When all fourth quarter returns are in, hard goods producers will show another margin drop. It means pressure will be on you as a PA to reduce costs. Use current weakness in industrial prices (see Price Perspective, page 2) to spearhead your company's cost-reduction drive.

time and one-half for at least part of the fifth day.

But prospect of the demand, labeled inflationary by industry leaders, has not touched off any stockpile buying of steel and supplied components, a sure precursor of a production push before an expected strike.

General Dynamic Plans Magnetic Tape Output

San Diego, Calif.—A cooperative program to provide magnetic tapes numerically controlled machine tools in the aircraft industry in the West was announced with the installation of a \$224,000 numerical director unit at the Convair Division of General Dynamics Corp.

The electronic device, the only one on the West Coast, transcribes onto magnetic tape coded instructions for numerical milling of machined aircraft and missile parts.

Convair-San Diego will make magnetic tapes for Boeing, Douglas, Lockheed, and Rohr aircraft firms as well as any other aircraft company in the Western states using tape-controlled machines on military contracts. The unit is sponsored by the U. S. Air Force.

G. M. Pays \$400 Million

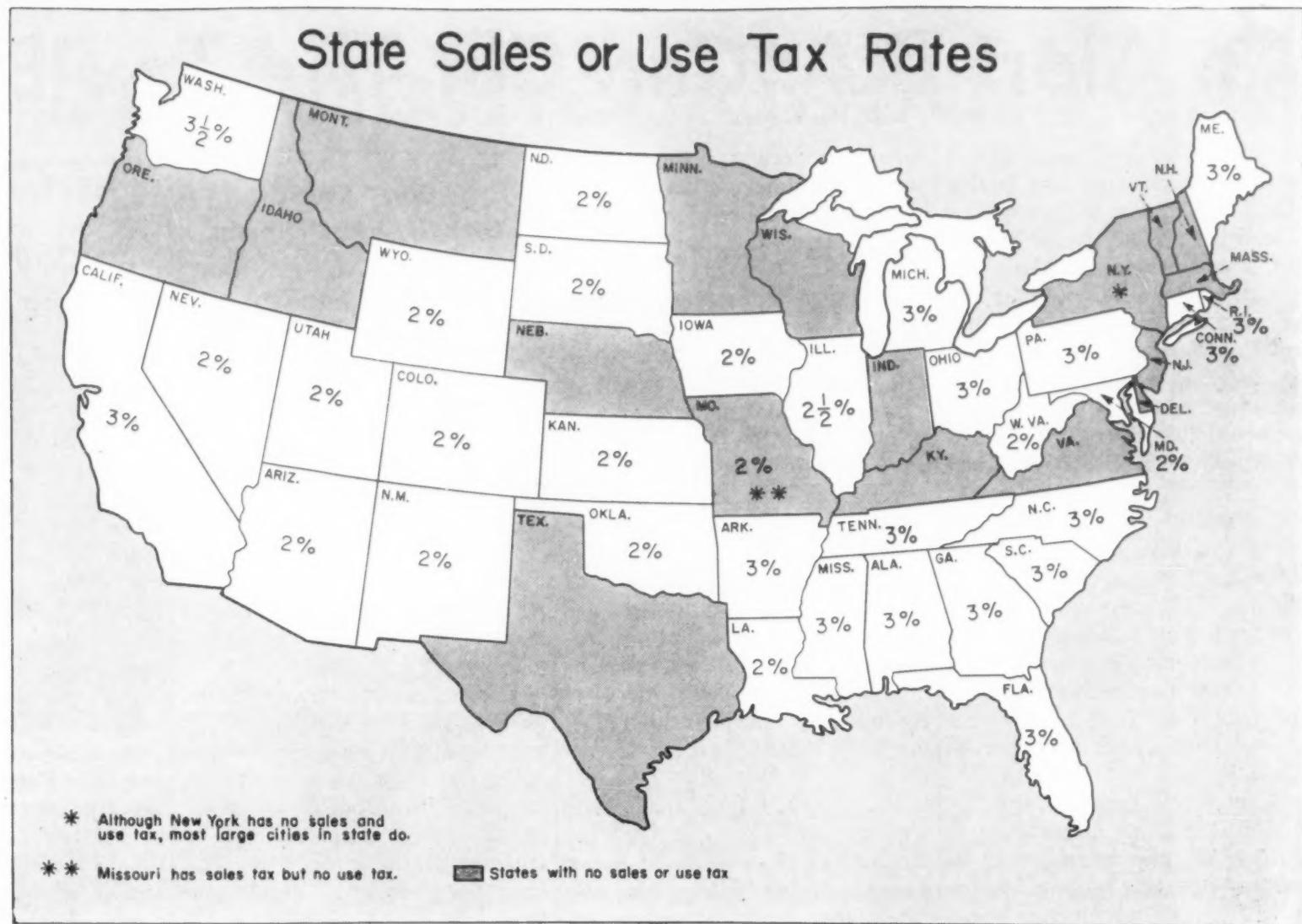
Oshawa, Ont.—More than \$400 million will have been paid out during 1957 to Canadian suppliers by General Motors of Canada, Ltd., according to E. H. Walker, president. This amount, more than six times the amount spent only ten years ago, bought the parts, materials, and services required by General Motors of Canada to maintain production of cars and trucks to meet market requirements. It doesn't include wages paid employees, he said.

New Research Facility Developed by Elgin

Los Angeles—Elgin National Watch Co.'s micronics division has opened a new research and development facility. Situated on a four-acre site at 21001 Nordhoff St., Chatsworth (Los Angeles), the building has 20,000 sq. ft. of floor space. Equipment includes high-precision machine tools, assembly facilities, and testing and inspection gear.

The micronics division was established to provide vital skills in precision miniaturization as they apply to development and production of devices needed by military and general industry.

Knowing the Various Taxes and Rates Throughout the 48 States →



An Alert P.A. Can Cut the Tax Bill

An alert purchasing agent can save many dollars if he knows his taxes before placing an order or contract. In fact, the purchasing agent is perhaps the most tax-sensitive member of his company.

Any order he writes may involve these taxes: federal excise, state sales or use, local sales or use (county or city), state or local property, or gross receipts taxes. How the P.A. buys also affects his company's income tax.

If he knows his taxes, the P.A. will plan not to evade but to avoid as many as he can. Such opportunities include:

- Leasing instead of buying equipment.
- Negotiating more favorable contracts.
- Obtaining tax rulings before ordering.

- Scheduling inventory and purchases to conform to assessment dates.
- Investigating all tax exemptions.
- Timing purchases to take advantage of tax changes.

Most important in avoiding tax trouble is to know the tax situation before ordering. It's embarrassing to quote a price to management, only to discover it does not cover the tax.

Most P.A.'s are aware of sales taxes because 33 states and the District of Columbia have them. Many states have exemptions. The most common are for goods bought in interstate commerce and material purchased for resale.

But there are also many specific exemptions, varying from state to state,

which can bring savings. In Michigan sales tax is normally applied to coal; but if it is used to supply power or heat a production area, there's no tax. In Ohio a locomotive crane used in making pig iron is exempt from sales or use tax even though a bucket crane for conveying mined ore is not. Every state has its peculiar exemption.

The most obvious way for a P.A. to avoid a state or local sales tax is to buy equipment in a state other than that in which delivered by qualifying under interstate commerce. But most states have covered this loophole by passing a use tax. In Nevada an auto bought outside the state becomes taxable when used within. This is true in 34 other states,

many of which have reciprocal agreements.

P.A.'s should avoid paying both a sales and a use tax for something bought in one state and used in another. Typical of this was recent construction of a special T.V. mobile transmitter by a large network. Built in New York City, the truck was composed of components on which the 3% city sales tax was levied. It was taken to California to televise the Rose Bowl game. California levied another 3% use tax.

Keep Sales Tax Receipts

Most states reciprocate for sales tax paid in another state by not levying a use tax, but records must prove the sales tax payment. This should be a prime responsibility of any P.A. handling an order—to specify what the tax is, whether included in the quoted price, and to record any payments.

One construction company tells of ordering more than \$1 million worth of steel for a project. The contract specified that there would be no change in price, that the quote was final. When the seller discovered that his quote did not include the 3% Pennsylvania sales tax, he was forced to pay it.

Know Your State's Exemptions

P.A.'s in the 15 states having no sales tax may be able to avoid both a sales tax and use tax, particularly if equipment the P.A. buys qualifies for exemption from his own state's use tax. But each state has its own peculiar exemptions. For instance:

In California—Lumber used for crating (as non-returnable containers) is exempt. But a sales or use tax must be paid on other lumber.

In Illinois—if equipment is used outside the state for 3 months, it is not subject to 2 1/2% use tax.

Leasing of autos, tires, and other personal property is exempt.

An example of buying which did not

(Continued on next page)

Taxes Purchasing Agents Should Know About

Federal Excise—Retail

Levied on consumed items (gasoline, salesmen's sample cases, articles of precious metals or stones). Paid by purchaser. Does not apply to material used in manufacture of taxable items.

Manufacturer's Excise

Levied on most manufactured items. Paid by the manufacturer but normally passed on to consumer as higher price. A few exemptions are x-ray cameras and cash registers for over-counter sale.

Sales (state or local)

Imposed only on sales to retail purchaser. Does not apply to tangible property bought for resale or use in final product destined for sale. However tools, coal, etc. consumed in manufacturing may be taxed. Although collected and remitted by seller, this tax is passed on to final consumer.

Use (state or local)

Supplements sales tax, designed to cover loopholes of property bought outside state. Often up to the purchaser to declare and pay, al-

Personal Property

though some states (i.e., Calif.) may require vendor to collect it. Missouri is only state with a sales tax but no complimentary use tax.

Gross Receipts, or Occupation-License

Levied on all property other than real estate. Based on valuation of property as determined by local assessor. Paid by titleholder of property.

General Sales

Imposed for the privilege of doing business and considered a cost of doing business. Although paid by vendor, it may show up as a higher price.

Based on income derived from all sources, not just sales. If passed on to the consumer—and separately noted—it may be deducted for income tax purposes.

Used in some states, this is a cost of doing business that applies to both retail and wholesale transactions. There may be so many exemptions in some states that it becomes, in effect, a tax on selected sales.

An Alert P.A. Can Cut The Tax Bill

(Continued from page 13) avoid sales and use tax is that of a manufacturer with a general office in Ohio and plants in California and Tennessee. The general office in Ohio ordered and received stationery for all plants and thus paid a 3% Ohio sales tax. When the paper was used in Tennessee and California, they use-taxed it 3%.

Handling an order correctly also affects property taxes. In many states property taxes are based on assessment on a specific day. The P.A. should remember this date. It's unfortunate to buy a bargain then find that after delivery the county assessor taxes it 7%. Knowing the date, the P.A. can take title after it. Or, the shipment might be in transit on this day.

Timing transhipped deliveries should be studied. Otherwise it is possible to subject equipment to personal property levies twice, for not all local governments assess the same day. It would be unfor-

tunate to accept a shipment in state A in time for the March 1 assessment, then send it to a plant in state B in time for its May 1 assessment.

Although the purchasing department may not be the one to limit inventories, a good P.A. appreciates that control of it may be affected by property tax considerations. On the assessment date inventory should be as low as possible.

In most cases, sales taxes become part of the capital cost for new equipment: whereas a use tax paid on capital equipment can be deducted as operating expenses. Thus judicious buying might obtain a large piece of equipment in a foreign state, placing a use rather than a sales tax on it.

When checking a real estate contract, the P.A. can help the income tax picture. Land is not depreciable but buildings are. So when real estate is purchased, land and buildings costs should

Don't Open That Foreign Shipment

Little appreciated is the fact that imported shipments are not liable for property or sales and use taxes if they remain unopened in the original package. But if they are opened before resale, they are subject to sales tax or to assessment as personal property.

be separate, with a low value as possible placed on the non-depreciable land.

Leasing versus buying should also be investigated. Although many states levy a sales tax on a lease, just as on an outright sale, the advantage comes in figuring income taxes. Rent is regarded as an operating expense while outright purchases must be capitalized.

By carefully checking all con-

tracts or subcontracts, the P.A. can often suggest ways for saving money.

If equipment is constructed, the order should differentiate between material and labor costs. If a bill is \$1 million under a lump sum contract, the purchaser stands to pay a 3% sales tax of \$30,000. But if the costs are separated and material is only 1/3 of total cost, the P.A. can save \$20,000. For in almost all states labor or personal services are exempt.

Purchase agreements should be carefully phrased. Substitution of "contractor" for "manufacturer" may make a difference in sales taxes.

One thing to consider is the charge for renting business machines. Rental contracts are usually regarded as sales and taxed. But actually a good portion of the bill may be a potential service charge, the rest is actual rental. If the state is willing to recognize this situation, it might

be possible to save by breaking down monthly charges.

Contracts should also be studied for separate listing of transportation charges after passage of title, or installation charges. As such, neither of these is subject to sales tax. But if lumped into an overall purchase price, it means unnecessary taxes.

Contracts for repairs should also be broken into labor and material. Repairs are taxable. But if exempt labor is separated, the tax may be halved.

Any government contracts should be carefully examined. The law states that any material bought for the U.S. government should be recognized as tangible property of the government and exempt from sales or use tax.

Some P.A.s may not realize that the federal excise law exempts lubricating oil from the 6¢ gal. if not used as a lubricant. If used for cleaning carburetors or other equipment, it is possible to issue an exemption certificate.

Polyethylene Legal Conflict Poses No Problems for P.A.'s

Outcome Will Not Affect Production, Pricing, Companies Involved Say; 10 Concerns Listed

New York—Purchasing agents can relax while lawyers settle the legal battle shaping up over the linear polyethylene patent which was awarded late last month to the du Pont Co.

Industry sources generally agree that the outcome of the million dollar squabble will not affect either production or pricing of the new, denser plastic.

Supporting this conclusion were statements issued by companies involved, particularly Phillips Petroleum Co., a major producer of linear polyethylene.

"In the event that this patent should be determined to be valid and infringed," a Phillips spokesman said, "the effect on the production of Phillips polyethylene would be minor; and its selling price would not be increased."

Infringement Claimed

The processes which du Pont claims infringe on its patent rights, granted Dec. 16, are those of Phillips, Standard Oil Co. of Indiana, and Prof. Karl Ziegler, a leading German chemist.

More than ten U.S. chemical firms have drawn licenses under these processes and are now in production or working toward production of this new type plastic.

Linear polyethylene is a new version of the well-known squeeze bottle plastic. It is denser, stiffer, and able to withstand higher temperatures than the original polyethylene.

Robert L. Hershey, general manager of du Pont's polychemicals department, asserted that the patent covers linear polyethylene "as a composition of matter" regardless of how it is made.

He said it was based on du Pont's discovery of the new type plastic more than ten years ago

as part of the company's fundamental research program. Licenses, he added, will be offered under the patent.

But, bringing its battle lines to the forefront, a spokesman for Phillips Petroleum contended:

"The du Pont patent does not interfere with nor affect Phillips patent applications which cover Phillips low pressure process utilizing a Phillips catalyst.

"The du Pont patent is based on the old high pressure process which is entirely different from the Phillips process. Their patent has polyethylene product claims which contain a number of limitations.

"As it is doubtful that these claims cover Phillips polyethylene or that they are valid and sustainable, it is believed that Phillips and its licensees will not be adversely affected."

Indiana Standard and Ziegler refused to comment. As a spokesman for one explained:

Must Determine Problems

"A substantial period of time will be required to determine what problems exist."

The Bakelite Co., a division of Union Carbide Corp., expects to begin production of the new type plastic in the first part of 1958 with licenses from both Phillips and Ziegler.

"Despite the du Pont patent claims," a Bakelite spokesman said, "we have not changed our plans. We have known about the patent for some time.

"We are giving the matter serious consideration. We feel there are many complex angles connected to it, and there seems to be no quick answer to the problem."

As far as Bakelite is concerned, the spokesman said, it

seems to boil down to who gets the royalties—Phillips, Ziegler, or du Pont.

A spokesman for Celanese Corp., stated, "Inasmuch as we're a licensee of the Phillips process, we feel that comment should come from Phillips."

Regardless of the patent dispute, one fact holds the plastic industry highly optimistic—the great potential market for linear polyethylene.

The nation's present production capacity is estimated at 180 million lb. a year. Industry authorities expect this will rise to 230 million lb. by the end of 1958 and to at least 500 million lb. by 1960.

Trimethylopropane Price Falls as New Unit Opens

Bishop, Tex.—Celanese Corp. of America has reduced the price of trimethylopropane from 41 to 39¢ with the opening of a new unit here to refine the chemical in mass production.

The unit has a capacity of more than 10-million lb per year. Celanese has been supplying users from a large-scale, semi-works unit here.

The principal use of trimethylopropane is in the production of polyurethane plastic foam. Thus is used for padding and cushioning, insulation, sponges, and structural components for aircraft.

Price Raises Planned On Second Grade Nylon

New York—Price rises from 10 to 15¢ have been announced on five types of second grade nylon yarn. Two major producers, Chemstrand and Dupont, noted that the increase was necessary to reestablish the proper relationship between first and second grade products.

Nylon used in men's hosiery will go up from \$1.81 to \$1.91 a lb. Yarn for tricot fibers will go up 15¢ to \$1.96.

Business Surveys Can Help P.A.'s, But Their Timeliness Is Important

Chet Ogden, Who Prepares N.A.P.A. Monthly Reports, Believes Their Accuracy Aids Buyers

Detroit—Why business surveys? What good are they to purchasing agents? How can he use them?

Business surveys are of major importance to P.A.'s primarily from the standpoint of timeliness and availability of their data, according to C. F. Ogden, Detroit Edison Co. vice president and chairman of the N.A.P.A.'s Business Survey Committee.

"The information published in these surveys could hardly be more current, and we are actually working against time," Ogden told PURCHASING WEEK. "The minimum delay with which the surveys are made available has proven invaluable to the purchaser in most any and all fields."

A buyer's first responsibility, says Ogden, is "to keep abreast" of market trends, thereby eliminating repetitious and impractical buying. He believes the surveys published by the N.A.P.A. and other agencies help the purchasing agent fulfill this function because they are so extremely accurate.

The monthly report prepared by Ogden covers general business conditions, commodity prices, inventories, buying policies, and other areas of interest to the purchasing profession.

The accuracy of the surveys, says Ogden, results from the willingness of companies to state freely, within the anonymity of survey procedure, exactly "what is happening" within the firms.

Marshall Pease, Detroit Edison's manager of purchasing and real estate, believes his company benefits from the survey material.

Supervisory buyers at Detroit Edison meet with department heads every other week. "Almost invariably, these published surveys give us a concise and very

excellent picture of current market trends," Pease said.

"This alerts us to important purchasing factors and lends support at times to our long-range programs. We need this data both to review with our buyers and to double-check our forward planning."

Ogden believes today's purchasing agent must be well informed and must have "an amazingly good picture" of current business situations.

"A man alert," he said, "through acquaintance with current survey material, is not faced with a time lag in shifting his operations to meet conditions."

Whale Oil Prices Expected to Drop 10%

Melbourne—Whale oil prices next year are expected to be at least 10% below this year's prices. That's the opinion of Australian companies engaged in whaling. The demand for whale oil shows signs of weakening and the inquiries for long-term contracts are less numerous and less attractive.

On the other hand, consideration must be given to the installation of modern processing plants and the splendid condition of whales. This will probably result in increased production of whale meal and dried whale solubles.

A new outlet for nylon tire yarn is building up in Detroit. New air-suspension assemblies now offered as optional equipment on some 1958 passenger-car models take upwards of 1 lb. of nylon yarn per car.

'58 Should Be Another Good Year

Editors of McGraw-Hill Publications in a Special Year-End Report Express Confidence That Despite Rough Spots Business and Industry Have no Great Worries

New York—There may be a few rough spots, but the months ahead in 1958 should add up to another generally good year for American business and industry. That's the way McGraw-Hill editors whose publications record the pulsebeat of U. S. industry look ahead to the new year.

Their just published industry-by-industry year-end and year-ahead report (a 72-page summary entitled "A Look at 1958") takes into consideration the "rolling adjustment" of the 1957 economy, the past year's tight-money bind, and the still-lurking butterflies in the business stomach. While their new annual focus on American industry and the direction it is taking is generally optimistic, the McGraw-Hill editors still pinpoint the tough hurdles which must be overcome. These include such items as higher costs for labor, plant maintenance, and manufacturing materials . . . plus the deeper problems of industry in merely keeping pace with rapidly advancing technological and marketing methods and improved manufacturing techniques.

Here in summary is how nearly 600 McGraw-Hill editors, reporters, and economists . . . all in daily contact with every phase of business and industry . . . view 1958 in terms of the industries where they are top qualified observers.

Manufacturing—The Cost Index is still climbing slowly and may hit about 170 in 1958, according to "Factory Management and Maintenance." Production management's number-one problem and the reason for the automation boom is constantly rising costs of labor and materials, thus keeping emphasis on production cost control.



Matthew J. Murphy

Robert B. Hotz

Aircraft Manufacturing and Transport—The aviation industry is heading for another of its periodically tough years in 1958, according to "Aviation Week." However, the industry can still look forward to roughly an \$11-billion annual market in the years just ahead, most of it military. Airlines earnings for 1957 were expected to slip to lowest level in three years, and the industry appeared headed for a number of net losses in 1958.

Atomic Energy—American industry will at last be getting into the hardware stage of the nuclear power business. A few reactors in America's first generation of power reactors have just gone into operation, and a few more are under construction.

"Nucleonics" reports that for the first time industry will be getting real cost and engineering data, sorely needed for the sales push immediately ahead.



Jerome D. Luntz

James U. Steinfurst

Automotive—Car and truck sales in 1957 were difficult. This resulted in much price cutting and fancy merchandising. But "American Automobile" sees 1958, in both cars and trucks, looking surely as good as 1957 which, after all, was the fourth best year on record.

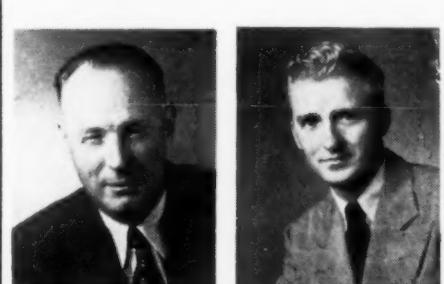


Howard C. Johnson

John R. Callaham

Chemical Process Industries—The chemical process industries established new production and sales records in 1957. "Chemical Week" and "Chemical Engineering" see current estimates pointing toward another 5 to 6% gain in 1958, but again most of the rise will be accounted for by price increases. Such increases are probably overdue as the industries suffered steadily declining profit margins in 1956 and 1957.

Coal Mining—The industry is comfortable today, with a fairly good financial return, and there is an even better picture foreseen in the future, according to "Coal Age." The industry's problems include money to finance urgently needed new construction and modernization, demand for maintenance setups and qualified personnel, more engineers and skilled managers, better market development and merchandising techniques.

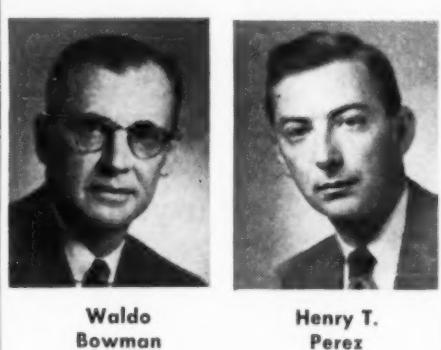


Ivan A. Given

Alvin W. Knoerr

Metal Mining—For the first time since Korea, virtually all metals will be in comfortable supply during 1958 "Engineering and Mining Journal" predicts. On a short-range basis, capacity will

exceed normal demands. Unless the domestic and foreign economy falls flat on its face in 1958, metal prices will have to rise from October-1957 levels of about 10¢ for zinc, 13.5¢ for lead, and 26¢ for copper, simply because these price levels will not stimulate enough production to sustain a moderate world economy. Realistic levels would be about 13 to 15¢ for zinc, 15 to 17¢ for lead, and 30 to 32¢ for copper.



Waldo Bowman

Henry T. Perez

Construction—Construction's headlong race to get jobs under contract peaked out temporarily in 1956 and is now leveling off at a pace 10 to 15% below the 1956 high. Major shifts in sources of business have accompanied this slowdown. Private building is down about 30% while public works construction is up 22%. The outlook for 1958 is that the present over-all trend will continue for the most part but with less violent swings. The backlog of plans for drawing boards now includes projects totaling \$109.7 billion and is still growing. It is still building up the pressure that promises a continuing high rate of putting new projects under contract.

Electrical Construction and Maintenance—The growth pattern of electrical construction shows a healthy upward curve. There are no prospects currently visible which would indicate a significant downturn in demand for goods and services in electrical construction, installation, or maintenance.



W. E. Stuart

W. W. MacDonald

Electronics—The industry has been growing at the rate of 8% annually, and there is no reason to expect, short range, any marked change in the growth pattern. Cutbacks in proposed capital spending by industrial firms do not necessarily mean an adverse effect on the industrial electronics market. Industry will be spending to get the best dollar return in a labor market expected to be tight for at least another four years. This means more emphasis on labor-saving equipment—and more electronic equipment, according to "Electronics."



Fischer Black



Arthur J. Stegeman

engineering, the greatest single area of expansion has been in materials—with an almost explosive growth in plastics, "Product Engineering" reports. The time is rapidly approaching when the engineer will be able to specify any requirements he wants in a completely new material and have the material especially developed to fit his needs. This is already possible in plastics.

Oil Marketing—Domestic demand for petroleum products is expected to be up about 2% over 1957. But while demand continues to grow, the petroleum industry's capacity to meet demand also has been growing—and at a faster rate. Even though a 2% growth in demand is not so large as the 4-to-5% increases the industry has been experiencing in the past decade, it is still a healthy gain.



Frank Breese

LeRoy Menzing

Petroleum—Capital expenditures by the petroleum industry for new wells, plants, and other facilities in 1958 will show a faster rate of gain than will the growth in demand for oil, "Petroleum Week" reports. The relatively large gain in anticipated capital expenditures for 1958 will be due to higher costs of materials and labor and the industry's desire to make investments in facilities that will improve operating efficiency and quality of its products.

Who Is Who in the Pictures

Black, Fischer—Editor and Publisher, Electrical World.

Bowman, Waldo—Editor, Engineering News-Record.

Breese, Frank—Editor, National Petroleum News.

Callaham, John R.—Editor, Chemical Engineering.

Finney, Burnham—Editor, American Machinist.

Given, Ivan A.—Editor, Coal Age.

Hotz, Robert B.—Editor, Aviation Week.

Johnson, Howard C. E.—Editor, Chemical Week.

Knoerr, Alvin W.—Editor, Engineering & Mining Journal.

Luntz, Jerome D.—Editor, Nucleonics.

MacDonald, W. W.—Editor, Electronics.

Menzing, LeRoy—Editor, Petroleum Week.

Murphy, Matthew J.—Editor, Factory Management & Maintenance.

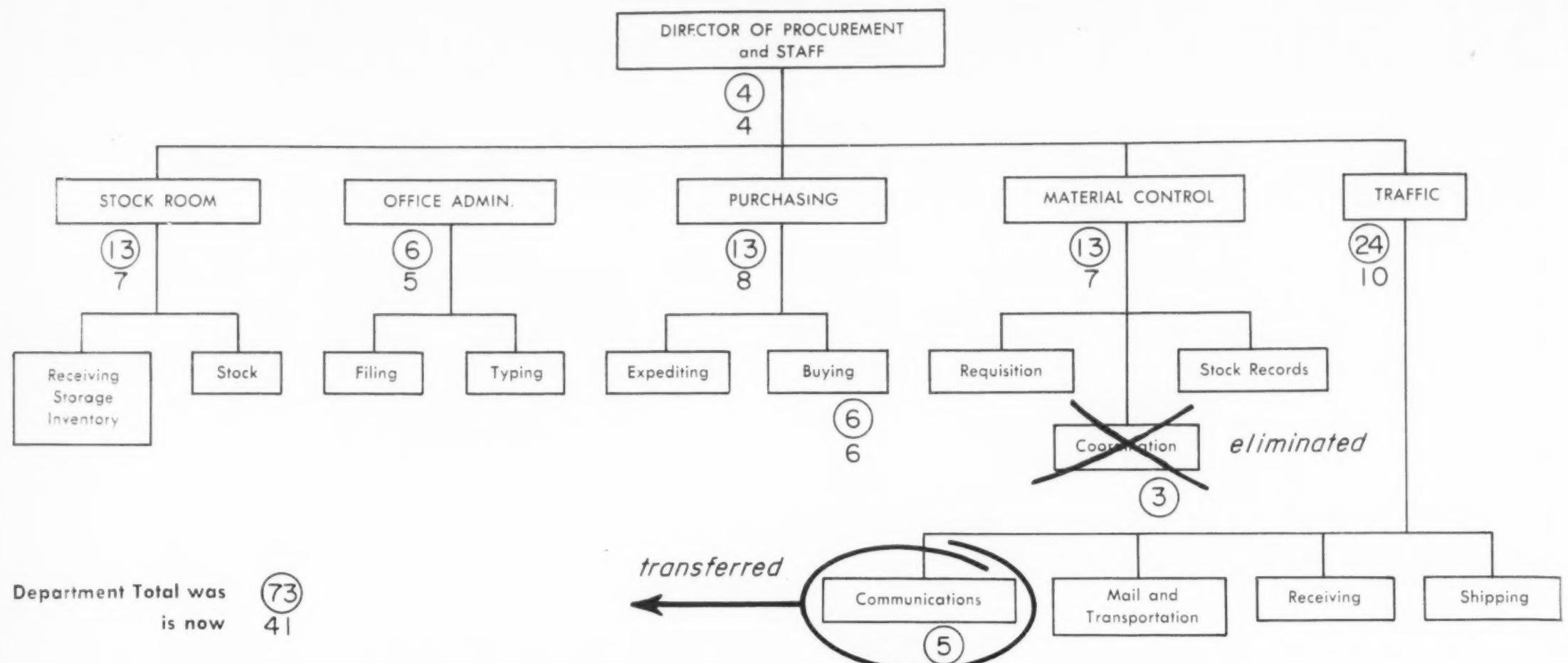
Perez, Henry T.—Editor, Construction Methods & Equipment.

Stegeman, Arthur J.—Manager, Market Research, Electrical World.

Steinfurst, James U.—Editor, The American Automobile.

Stuart, W. E.—Editor, Electrical Construction & Maintenance.

Tangerman, Elmer—Editor, Product Engineering.



This 45% Cut in Purchasing Department Staff Enabled P.A. to Warn you . . .

If Business Drops, Here's What to Expect

Perhaps it will never happen to you. But if your company experiences a sharp cutback in business, here are two things you can expect:

1. A cut in purchasing personnel in direct proportion to reduced volume of business.

2. Retention of buyers in preference to all other members of the department.

At least this is the experience related to PURCHASING WEEK last week by an executive of a young firm experiencing its first setback.

For obvious reasons, the company must remain unidentified. But if you know one of its principal products is data-gathering and data-processing equipment for test missiles and aircraft, you can appreciate the impact on its business by the Defense cutbacks last summer.

Situation: Bad and Getting Worse

Within a very short time, the purchasing department found itself in this situation:

• Buyers were used in reverse to reduce inventory.

• Personnel was reduced by 45%.

• Inventory was drastically cut, and stiff new controls placed on major stock items.

• And, for a light touch, the company was invited to join the surplus dealers association.

These things might be regarded as typical ups and downs of a new industry which until recently had been expanding 25% yearly. But last summer's cutbacks on missiles and planes greatly accelerated the maturing of this typical test instrumentation firm, 90% of whose business was in government contracts.

\$750,000 Contracts Cancelled

Last June this company was in the midst of an expansion program seeking to double last year's business. But within two weeks, over \$750,000 worth of contracts were cancelled. Although business is now back to the level of December 1956, the effects of this cutback in growth plans are typical of what other purchasing departments may experience this year.

As might be expected, the two biggest effects in procurement were reduction of

personnel and a cut in inventory. In both cases it was drastic. Although the over-all company personnel was reduced about 10%, 45% of the purchasing department were displaced. And inventory was cut from a summertime peak of \$600,000.

24 Fired, 8 Transferred

The organization chart shows drastic cuts in the procurement department. From a total personnel of 73 in July, the department now employs 41. Although eight of the missing were not fired, their transfer to other departments was sparked by the same need for economy.

One of the first tasks for the director of procurement was to tell the controller exactly how many people would be needed to handle various levels. A study produced the over-all figure of 1 person per \$100,000 of business. So, anticipating a year-end business of about \$5 million, the staff was pruned to 49, but eight positions were eliminated or transferred.

Every effort was made to prevent losing the specialized talents and experience of the buyers. Even though some expeditors were eliminated, none of the buyers has left although one was transferred temporarily to another section. If further retrenchment is required, the buyers will do their own expediting.

Buyers Held Their Jobs

It is interesting to learn that top management did not have to be sold on the need for retaining buyers. In this company's procurement department, buyers have almost a professional status. Management appreciates that learning the intricacies of buying over 5,000 items for a fast-growing electronics firm is a training investment that cannot be replaced overnight.

The reduction in the traffic section was disproportionate because five people were consolidated in the building and plant facilities group. But the over-all 45% reduction in the procurement department was a warning of other drastic changes that would affect this department.

The other major effects of the company's drop in business were sharp reduction of inventory and the imposition of strict controls.

At the time of contract cancellations, inventory was at \$600,000 in anticipation of continued growth. But when government action altered this picture, management needed some of the money tied up in inventory for other purposes. The director of procurement was asked to specify which items were no longer needed.

In some cases this was easy. The parts lists for discontinued products was the start of the surplus stock for it is a characteristic of this business that there is little overlapping of component parts. Some things however, like \$25,000 worth of custom-stamped receiver chassis, were a complete loss except as scrap.

How to Get Rid of Surplus Stocks

After analysis of current stock, items totalling \$182,000 were immediately declared surplus. Disposal of the material followed a three-step procedure.

The first step was to attempt to return the items to the supplier. Although in many cases this was impossible, the reception from some suppliers was surprising. The best reaction came from electronic tube manufacturers. All were willing to take back the tubes after inspection, with handling charges varying from 5 to 15%. But even this situation has changed, for one tube maker has now been forced to refuse returned tubes. The flow was disrupting his own inventory as well as his production schedule.

If a supplier is unwilling to accept returned items, they are then offered for sale to distributors handling the same products. Success in this second step has not been outstanding; and to prevent "discouraged" selling, a general pricing policy was established. If the offer from a supplier or distributor is better than 85% of the book value the assistant purchasing agent, who handles this program, can accept the offer.

Some Surplus Brings 70¢/\$1

But if the offer is under 85% it is up to the controller to decide whether it is better to accept the lower offer or keep the material and accept a write-down. To date, of the original \$182,000-worth of material designated as surplus, \$56,000-worth has been sold. Return-on-the-dollar has averaged 70¢.

The third step in disposing of the company's surplus stock—offering it to surplus dealers—has not been encouraging although it did bring an invitation to join the surplus dealers association. Because of the high risk involved in disposing of goods through this avenue, offers of 25¢-on-the-dollar are high. Few of the surplus items have gone this way.

Inventory Control Reexamined

To keep the surplus stock list current, a company committee meets weekly to review inventory. Composed of five members of the purchasing department and the controller, this group is taking a completely new look at inventory control. It has been responsible for two steps: stiff controls and study of the entire inventory problem. It also meets periodically with members of the engineering and manufacturing groups to review inventory requirements.

Realizing that 85% of the dollar value of inventory is represented by 15% of the items, stiff controls have been set up. Nominal controls govern the remaining inventory. A study of purchasing operations is under way to determine the cost of processing each purchase order—a step toward economic-order-quantity buying.

Just "Groping in the Dark"

One of the most difficult tasks facing this company's procurement department is determining future buying. Whether or not an item should be continued in stock or bought by requisition is difficult because sales forecasts are almost impossible in the chameleon-like missiles picture of today. Past records of purchases in this ever changing field of electronic products are of little guidance. With neither past nor future needs clearly defined, it is like "groping in the dark without knowing which way to turn" as the director of procurement phrases it.

Inventory control in this industry never has been easy because of the rapid obsolescence of many components. Write-down of items is standard procedure. And annual inventory turnover rates of 4 to 6% would be regarded as ideal in a field where technical developments are rapid. But the drastic cutback in this company's business

plans has added another factor in controlling inventories.

Business outlook has also changed the capital spending plans. Not since September has any order for new capital equipment (over \$50 value) been placed. This company edict has been followed without exceptions.

Open purchase orders also have been carefully scrutinized since June. From a maximum of 1,450 in that month, the number of open purchases has dropped to 500, with each of these being periodically reviewed. Circulation of extra copies of

open purchase orders throughout the company in June and July, led to the cancellation of \$116,000 worth. Deferred deliveries were taken on another \$56,000 worth.

Most suppliers were agreeable to cancelling open orders at no charge although a few did reply that cancellation charges would be 100%. Interesting was the prompt delivery of items which had been troubling the expeditors for several weeks. As soon as the supplier heard about the expected cancellation, the late deliveries were on hand the next day. (Perhaps this

is an expediting tool that should be considered often).

Number of orders placed per week have also dropped considerably. In June they were up to 340; the average of the last ten weeks has been 108. This drop is another reason for decreasing the number of people in the procurement department. The old ratio of one expeditor per buyer is no longer justified nor is the existence of the three-man coordinating group in the materials control section.

But despite the drastic cuts in personnel and the new look in the purchasing depart-

ment, things are not really so bad. What is happening so quickly in this young company is what others have experienced in years before, industrial maturing. Company business is back where it was a year ago. The bursting of the 25%-per-year-growth bubble has discolored the picture of the future. "But", as the procurement director pointed out, "we have not been asked to give up any of our office space. And we are expecting to fill it again within the near future as soon as the Defense picture clears and our future plans are based on a realistic outlook."



THE SMILE indicates that Sam Elliott must be talking about softball. "Sambo" can scowl as well as any other P.A. when doing his daily job.

Profile

'Sambo' Elliott Makes Softball Hall of Fame, Won 1,046 Games

Atlanta, Ga.—The big, shiny plaque in the office of Sam Elliott, purchasing agent for Western Electric's Atlanta distribution center, sets Elliott apart from any other purchasing agent in the country. He is one of four players named in 1957 to the first Amateur Softball Association Hall of Fame.

Graying, Elliott, 6 ft 3 in. affectionately known in Atlanta as "Sambo," pitched his first game, a no-hitter, in 1935. He didn't miss one of the 21 following seasons until he retired from the game this year. His astounding record includes 1,046 victories and only 87 losses in local, regional, and world competition. He pitched 107 no-hitters, of which 26 were perfect games.

Elliott, now 45, has been with Western Electric's Atlanta operation all his working career. He came up through the shop, warehouse, and stock maintenance and has been PA for the past seven years. We in Atlanta services the Southern Bell system throughout its nine-state Southeastern area.

Sambo went to his first national softball tournament as an outfielder with the Western Electric team in 1934. That was the game which changed Elliott from an outfielder to a pitcher.

Elliott describes it this way: "One man in particular, 'Windmill' Watson from Arizona, caught my eye at that game in Chicago, and I decided then and there to become a pitcher and copy his style."

"That winter I practised every possible moment, using the house for a backstop."

The practice paid off. His astounding record attests to that.

Elliott recalls his most thrilling game as one in which he starred at bat as well as on the pitching mound.

"It happened right here in Atlanta in 1951. Clearwater was the world's champion team, and we were going into the last inning with a no-hit game against us. They were leading 1-0. Then I hit a three-run homer, and we won 3-1."

Sambo is no longer pitching because "there comes a time when this game of softball becomes more work than pleasure. That time has arrived for me."

As an exercise substitute, Elliott has now turned to golf and already is shooting a steady 80. And when he's not golfing, Elliott spends his off-hours gardening with his wife and teen-aged daughter or playing soft ball with his 9-year-old son who is working hard to become another "Sambo Elliott."

Anthony J. DeFino has joined Hupp Corp., Cleveland, as vice president. He had been vice president and general manager of the All-Year Air Conditioning Division of Servel, Inc., Evansville, Ind.

Leo I. S. Conway has been made assistant manager of the Metropolitan Division, Walworth Co., Harrison, N. J.

Leonard R. Webb succeeds Gerry Waterman as purchasing agent for the City of Calgary, Alberta, Canada. Waterman, who retired after 46 years in the city's service, is a former president of the Calgary branch of the Canadian Association of Purchasing Agents. Webb had been a buyer for the city.

Walter B. Smith has been named district sales manager of Thor Power Tool Co.'s Milwaukee branch. **Theodore E. Vocker** succeeds him as manager of the St. Louis branch. Five other new district sales managers are: **Harry L. Groves**, Houston branch; **Martin A. Bertram**, Cincinnati branch; **Samuel P. Gartland**, Boston branch; **Thomas J. Murphy**, Buffalo, N. Y., branch; and **James Q. Golden**, Atlanta branch.

Frank P. Green, vice president, Fayette R. Plumb, Inc., Philadelphia, has been elected executive vice president. **Charles L. Schlipf**, treasurer, has been assigned the added post of secretary, and **George R. Beck** export manager, has been named to the board of directors.

Clinton E. Smith has been advanced to the new post of administrative sales manager for the Machinery, Cutting Tool and Gage Division, Pratt & Whitney Co., Inc., West Hartford, Conn. The division's sales territories have been revised, and **William C. Mullin** will direct sales of instrument gages and automation gaging system in a territory that parallels the East and West Coasts. **Albert F. Miller, Jr.**, will manage cutting tool and conventional gage sales in this same area. **Alford H. Johnson** will direct all gage and cutting tool sales in the mid-continent sales territory.



GEORGE W. GOAD succeeds John W. Gendron as manager of Tide-water Oil Co.'s oil purchase and exchange department. Gendron has been promoted to the new post of administrative assistant to the president.

Sidney W. Woodall has been promoted to purchasing agent for the new Midwest Division of J. B. Beard Co., Inc., Clinton, Iowa. He had been serving as general buyer at the firm's general office in Shreveport, La.

Donald K. Weidner, sales representative, has been shifted to the eastern Pennsylvania area by Pfaudler Co., a division of Pfaudler Permutit, Inc., Rochester, N. Y. He replaces **Frederick Josenhans** who takes over a New Jersey sales territory.

Elmer R. Bradley succeeds C. Aplin Sparks as manager of the middle Atlantic sales region for Sun Oil Co., Philadelphia. Sparks retired after 40 years with the firm. **Raymond E. Martin** has been made manager of the company's Akron sales district.

M. E. Morgan, director of purchases, A. O. Smith Corp., Milwaukee, has been elected a vice president of the firm.



FRED COKER has been advanced from assistant purchasing agent to purchasing agent for the Fulton Sylphon Division, Robertshaw-Fulton Controls Co., Knoxville, Tenn.

William P. Gillespie, sales manager of Delta File Works, Inc., Philadelphia, has been elected a director of the firm. **George H. Thompson**, formerly assistant secretary, has been promoted to secretary.

Lloyd Lee has been appointed director of automation for Le-Maire Tool & Manufacturing Co., Dearborn, Mich.

H. I. Edwards has been elected vice president, marketing, by Pfaudler Permutit Inc., Rochester, N. Y. He is responsible for coordinating the sales and marketing activities of the Pfaudler and Permutit Product Divisions.

Everett R. Phillips has been named a field engineering supervisor in the Chicago district of the ElectroData Division of Burroughs Corp.



MICHAEL J. JAMES has been advanced to assistant manager of purchasing, Government and Industrial Division, Philco Corp., Philadelphia. He succeeds John R. McAllister who was recently named manager of purchasing.

William L. Carley has been made assistant to the Worksaver, Warehouser truck sales manager, Yale Materials Handling Division, Yale & Towne Mfg. Co., Philadelphia. **Donald D. Spurr** has been appointed assistant gas truck sales manager for the division.

T. J. Callans has been transferred by Baldwin-Hill Co. to the firm's headquarters in Trenton, N. J., as eastern area manager, Industrial Insulation Division. **C. R. Reeves** succeeds him as midwest area manager at Chicago offices.

Obituaries

Martin C. Krieg, purchasing agent of the Philadelphia Coke Co., Philadelphia, died at his home Dec. 21. He was 60.

Morris Bright, 51, purchasing director of Syntron Corp., Indiana, Pa. died Dec. 28.

W. C. Christianson, 50, general sales manager of Trent Tube Co., a Crucible Steel Co. subsidiary, East Troy, Wis., died Dec. 21. He joined the firm in 1946 as assistant sales manager.

George S. Kuykendall, 63, general purchasing agent for the Moore-McCormack Lines, New York, died Jan. 1. He had been with the firm 34 years and formed the company's general purchasing department. Kuykendall is a past chairman of the Steamship Purchasing Agents Association.

Thomas H. McElvein Jr., 75, former purchasing agent for Erie County, N. Y., died Dec. 23 after an illness of several months. He was a past president of the New York State Automobile Dealers Association.



AMERICA'S FIRST full-scale nuclear-fueled electric power generating station begins operating. A Duquesne Light Co. operator is at controls.

Public Hailing A-Power Age; P.A.'s Warned on Fallacies

Shippingport, Pa., Plant not Start of Era of Cheap Industrial Energy Sources

New York—While the public hails the opening last month of the atomic power plant at Shippingport, Pa., as the start of the atomic age, purchasing agents should be aware of the many A-power fallacies now being broadcast. Here are just a few:

1. Atomic power will be cheap.

Facts—mainly monetary ones—speak for themselves. The actual cost of atomic power generated by the Shippingport plant is expected to run from 55 to 60 mills per kWh. The average cost of power from conventional plants runs from 6 to 7 mills.

Estimated costs of building an atomic plant are made on meager information. As plans near completion, costs usually soar. For instance:

Consolidated Edison Co of New York announced plans two years ago to build such a plant at Indian Point, N. Y. They estimated the cost at \$55 million. The latest estimate in November was \$90 million.

Another wrong idea that supports this fallacy is that fuel to run an atomic plant costs practically nothing. Mining, refining, fabricating uranium into fuel elements is an expensive proposition. Besides only a sixth of the selling price of electricity is attributable to the cost of fuel.

2. Atomic power will soon play an important role as a new source of energy in the United States.

This country is blessed with an adequate supply of conventional fossil fuel, enough to meet its needs for years to come. As a result, there is no immediate necessity for atomic power.

A projection of figures recently released by the Atomic Industrial Forum would seem to indicate that by 1975 atomic power will make up only 15% of new electric capacity added.

Congress is preparing to pump more money into the development of peaceful atomic energy, mainly for the prestige resulting from such achievements.

But even if 1 million kw. of atomic plant were added each

year, it would still take many years before their output would make a dent in conventional power resources—now nearing 130 million kw.

3. Atomic power plants are dangerous.

The safety record of the atomic power industry is one of the best. In the whole industry—specifically atomic plants—there has never been a serious accident. And there have been an insignificant number of minor ones.

It is true that these plants are potentially dangerous, but the likelihood of something happening seems to be very remote.

A nuclear power reactor isn't a controlled atom bomb as some people think. There is a world of difference between the two, and it would be impossible to convert a reactor into a bomb.

The potential danger lies in radiation. But caution is the watchword, and reactors are designed with the utmost safety. They are usually buried or surrounded by steel or concrete.

Atomic plants also are located at remote sites for the most part. As to actual danger—the safety record speaks for itself.

4. There is a radical difference between an atomic power plant and the conventional plant.

The only difference is the nuclear reactor replaces the conventional steam generator. The turbine generator, and other plant components remain the same.

'Where Can I Buy?' a Service for P.A.'s

On occasion every purchasing agent will be unable to locate the manufacturer of a product he desires. Then is the time to phone, wire, or write the "Where Can I Buy?" department of Purchasing Week. If we don't know the answer, we will put your query in our next issue. Some reader may come up with the answer.

Because of work pressure, please do not ask PW to locate distributors but get this information from the manufacturer.

Queries should be addressed to "Where Can I Buy?" Purchasing Week, 330 West 42nd Street, New York, 36, N. Y.

Changes in Metalworking Tools In 5 Years Need P.A.'s Attention

- Tools, Materials Will Change Production System Within Industry
- Important Revisions Predicted in Electrical Equipment Processes
- Use of Electronic Control Devices to Increase over Magnetic

New York—Metalworking's next five years will see many new tools and techniques put to work. In a look ahead McGraw-Hill's "American Machinist" has provided clues for which the purchasing executive must watch if he is to help make them effective.

Increased use of harder and tougher materials will mean more rigid machining setups. This is especially true for drilling machines, millers, and lathes. Rigid, positive feed equipment will make gun drilling of large structures a more useful technique.

More power and rigidity in milling machines are necessary if the full potential of the new carbide and ceramic cutting tools are to be utilized. For high production, special machines with automatic loading devices will be used. Tape or tracer controls are on their way. Tomorrow's milling machine may be run by less skilled operators. Easier and more foolproof control is one reason.

Tracer Lathes Become Popular

Tracer lathes have increased in popularity. Numerically controlled machines may dominate small-lot production where flexibility is important. Automatic gaging is going into more high-production applications.

More forgings and extrusions will be used in the years ahead. Heavier, more powerful machines will boost demand for forgings where other fabricating methods have been used. More small steel—as well as aluminum—parts for appliances and automobiles will be made by cold extrusion techniques. Impact extrusion methods for making containers may revolutionize packaging.

Better Finished Surfaces Sought

More activity in hot extrusion of titanium and the super alloys is expected in the next few years. Research by the extruders is aimed at better surface finishes, better dimensional control, and more complex shapes.

Both vacuum and special-air casting techniques will be more widely adopted where high metal purity is needed and the value of the work allows the extra cost. The investment casting industry should soon be ready to guarantee mechanical properties of all

the castings it produces. Test bars will be eliminated. This is already being done with aluminum.

Die casters now produce aluminum castings up to 75 lbs. and zinc castings of more than 200 lb. They feel that product size is not much of a limit. One future application for new machines is aluminum or magnesium engine blocks. Fully automatic machines, already in production for small zinc die castings, will be developed for larger zinc and magnesium castings, and possibly for aluminum.

Machines Aid Expansion

Better powder-making processes and better machines will cause a rapid expansion of powder metallurgy for making large parts. New fields, such as nuts and bolts, may succumb to powdered metal techniques. The ability to form finished precision surfaces without machining is one reason.

New combinations of powdered metals with metallics and non-metallics are on their way. They increase the possibility of tailor-made materials to meet specific requirements.

Some important trends are shaping up in electrical equipment, too. More totally enclosed motors will be used in the next few years. Older varieties of open-type motors will practically disappear from the manufacturers shelves. The trend toward higher-temperature insulation should continue because it represents one possible solution to the problem of the motor's physical size.

Speed Drivers Take over Field

Adjustable speed drivers will be in greater demand. The package unit will probably take over the field almost entirely.

Control devices of the magnetic type have been decreasing in size, and this trend is expected to continue. Use of electronic gear has increased, especially where numerical control is desired. Transistors are becoming more popular and may eventually supersede vacuum tubes in many circuits. More tape and punch-card equipment can be expected in the next few years.

Automation will expand to include more phases of processing during handling between machining operations, for example: applying grease to centers, burring, oiling surfaces prior to assembly, more inspection and gaging. Much consideration will be given to the automatic storing of parts before and after machining.

Sub-Assembling Aids

The most likely advance for automation in basic manufacturing will be the sub-assembling of component parts automatically. This is being done now in a minor capacity.

In gaging the trend is toward continuous indications of form, surface finish, and physical properties rather than spot observa-

tions of diameter, length, etc. with micrometer equipment. For example, roundness over the entire circumference of a shaft or hole and surface properties are now of primary importance.

X-rays and other types of radiation are moving toward general acceptance by inspection departments and machine shops. Constant inspection by x-rays and other radiation methods coupled with surface finish indicators will insure overall high quality of parts. Continuous automatic inspection of parts by electronic devices working at production machines and feedback operation to correct the settings that control dimensions will have greater acceptance.

Fastener Changes not Likely

There's not likely to be any fundamental change in fasteners. But there will be increased application of self-locking types. While standards for screw threads have been adopted, these standards have no effect on the outside dimensions of the screws. So tools for operating these fasteners are not yet interchangeable.

One thing to look for is an increase in the use of plastic threaded fasteners. Parts will also be assembled by injection molding the fastener on the production line.

Induction Heating Predicted

Important developments in heat-treatment can be expected:

1. Induction heating will be more often used to produce strength in highly-stressed areas.

2. More shrink fits will be made by induction heating. Many fuel-fired stress-relieving furnaces will be replaced by compact 60-cycle induction heaters.

3. New applications of induction heating to continuous welding of tubing seams at high speeds will appear. Annealing of heavy-walled, resistance welded pipes is another application.

More products now being heat treated in conventional furnaces will be shifted to induction equipment. And the equipment will be better mechanized. Automation will also extend to vacuum heat-treating equipment.

Control Improvements Planned

Higher temperature heat treatment will permit more rapid reactions and increase production. Control equipment is in for some improvement. Design innovations will make furnaces more adaptable to air-conditioned plants. New furnace atmospheres will provide new physical or chemical properties in treated materials.

The use of phosphate conversion coating of steel and aluminum parts prior to painting will steadily increase. Also important is the growing use of phosphate materials in deep drawing and forming of metals. More specialized materials for cleaning aluminum will become available.

Ocean Shipping Rates Decrease

New York—Ocean shipping dry cargo and bulk tanker rates are close to their post-World War II lows. Significantly, all of the drop has taken place during the past 12 months. Rates for many commodities are now more than 75% below their December '56 highs. Included in this category are oil and coal tags for many vital parts of the world.

The sharp rate decline stems from the emergency capacity expansion instituted during the Suez crisis of '56. On top of this, the world shipping boom is still going strong, and many new, rebuilt, and "jumboized" vessels are sliding off the ways.

Rates are going to remain weak for some time. But they won't get much lower than they are today. So now is a good time to take a close look at your future bulk commodity shipment needs.

Some very favorable medium and long-term contracts can be obtained if you shop around a bit. This represents the one bright spot in the transportation picture which otherwise shows continuing price hikes.

Need New Ideas Says Union Head

Denver—Officials of the Oil, Chemical & Atomic Workers met here last week for their first full staff meeting since the union's formation in 1955.

Addressing more than 120 representatives from the U. S. and Canada, OCAW president, O. A. Knight, emphasized the need to review our changed circumstances.

New ideas are needed to meet new conditions, he said. And some old ideas in trade unionism may have to be abandoned or modified.

Knight made no mention of hourly wage increases. Instead, he hinted that the union plans no drastic demands this year but would emphasize security and existing job protection.

"Our union must perform two functions," he added. "First, it must protect the security of older workers already employed in our industries.

"Second, it must expand the opportunities for advancement for younger people in this age of electronics."

Syracuse Mayor Seeks Economy In Purchasing

Syracuse, N. Y.—Mayor Anthony A. Henninger began his new administration with the attitude of firm control and economy as regards the city's purchasing problems.

The mayor said he is determined to make savings on city purchases and to maintain complete control of items the city buys and what is done with them after they are delivered.

Curse of modern American business is filing and record keeping. Examine the records you are keeping. You may be surprised to find that some of them are no longer necessary.



FORMATION of Engelhard Industries, Inc., out of nine domestic firms, is discussed by Chairman Charles W. Engelhard, left, Ben Grauer, TV-radio star and Gordon W. Richdale, president of new organization.

Nine Domestic Firms Consolidate To Organize Engelhard Industries

New York—A new corporation, Engelhard Industries, Inc., has been formed through consolidation of nine American companies in the precious metals and precision manufacturing field. Three other domestic companies and 12 foreign corporations are controlled by the same interests.

Among the products of the newly formed corporation are atomic reactor components, nuclear instruments, aircraft and missile parts, dental and medical devices, and equipment for the petroleum, chemical, pharmaceutical, plastics, automotive, jewelry, and electrical industries.

Consolidated companies include Baker & Co., Inc.; Hanovia Chemical & Mfg. Co.; American Platinum Works, Amersil Co.; East Newark Industrial Center,

Inc.; Irvington Smelting & Refining Works; D. E. Makepeace Co.; National Electric Instrument Co.; and H. A. Wilson Co. Described as "associated domestic companies" were Azoplate Corp., Charles Engelhard, Inc., and Nuclear Corp. of America.

"We expect our sales overseas to expand as rapidly as those in this country," Charles W. Engelhard, board chairman, said. He pointed out that the company opened a new plant in Rome last year for the production of chemical catalysts and ceramic liquid metals.

Other Engelhard plants are located in Switzerland, Great Britain, South America, Canada, and Australia. The company maintains sales offices throughout the free world.

Survey Shows Decline In Petroleum Output

New York—Top industry officials and economists across the country, interviewed by Petroleum Week, predict petroleum's economic growth will enter one of its cyclic periods of tapering off in 1958. But the experts feel it will taper off at a very high plateau.

The majority of oil economists estimated that demand will barely top the 1957 volume which ran considerably below early expectations.

There is a strong minority opinion among economists in several fields that 1958 may turn out a lot better than is now expected. But not even the most optimistic say that 1958 will see a boiling boom of business activity.

Crude prices are being trimmed around the fringes now, and more selective cuts may be made, industry sources predict. No one

now looks for a general break in crude prices, but many expect that the selective cuts that have been made in the Rockies, Arkansas, the Tri-State area, and Southwest Texas will spread, the magazine states.

Principal speaker at the dinner will be Frank K. Griesinger, associated with Lincoln Electric Co., Cleveland. An expert in the financial aspects of marketing Griesinger is the author of several articles which have appeared in national magazines and has received national recognition for his studies in equipment leasing. In his address, he will relate purchasing to some of the fiscal problems faced by business in 1958 and suggest ways to solve them.

Kaiser Reorganizes Engineering Division

Oakland, Calif.—The Henry J. Kaiser Co. has reorganized its Engineers Division because of increased business overseas.

Kaiser engineers will be divided into two inter-related but independent operating divisions. One group, the heavy construction division, will be responsible for all overseas work and heavy construction projects throughout the world. The second division will handle all industrial engineering and construction projects in the United States and Canada.

New England P.A.'s Will Discuss Ethics

Boston—The question of ethics will come up before the New England Purchasing Agents Association meeting Jan. 13. A forum, to be held before the din-

Crown-Zellerbach Plans Fight On F.T.C. Ruling On Acquiring Firm

Washington—Crown-Zellerbach Corp., one of the biggest integrated producers of pulp, paper and paper products in the U. S., this week served notice it will fight in the federal courts to upset a recent Federal Trade Commission decision that C-Z must divest itself of the St. Helens Pulp & Paper Co. Crown-Zellerbach acquired the company, a major West Coast competitor, in a 1953 stock exchange.

In announcing the company would make a court test of the FTC ruling, Crown-Zellerbach President A. B. Layton said the acquisition of St. Helens was

legal under the anti-merger provisions of the Clayton Act as amended in 1950.

The Commission rejected all of Crown-Zellerbach's main arguments. The company contended the "coarse paper" line—coarse wrapping paper, bags, sacks, and converting paper—is too narrow a line of commerce to use in testing the competitive effects of the merger.

The company also said that rather than using just the 11 Western states as the market in which competition is affected, the area should at least be all the states west of the Mississippi. The FTC disagreed.

The ruling by the Commission, now headed for review by a Court of Appeals and probably the U. S. Supreme Court, points out that the immediate result of the merger was to remove from the market an "important, fully integrated competitor having its own timber resources, pulp manufacturing and converting facilities, and fully developed sales outlets to the trade." The opinion stresses that Crown-Zellerbach—in acquiring St. Helens productive capacity—has become the major supplier for independent jobbers with which Crown-Zellerbach competes through its own jobber division, the Zellerbach Paper Co.

Soft Coal Price To Remain Stable

By Ivan A. Given
Editor, Coal Age

A high degree of stability has characterized bituminous coal prices in the past ten years. This stability very likely will continue for the next 5 years at least, and possibly ten or more. The bituminous record since 1948, in terms of average value per ton at the mine, is as follows:

1948	.....	\$4.99
1949	.....	4.88
1950	.....	4.84
1951	.....	4.92
1952	.....	4.90
1953	.....	4.92
1954	.....	4.51
1955	.....	4.49
1956	.....	4.93
1957 (est.)	.....	4.90

In that period, among other things, the basic daily wage has risen from \$13.05 to \$22.25 and payments into the United Mine Workers' Welfare & Retirement Fund from 10¢ per ton to 40¢. Heavy expenditures to raise efficiency is one reason for stability in prices in the face of these increases.

Expenditures are continuing at a high rate and thus will operate to maintain stability in the future, though the job will not be as easy for at least two reasons:

1. The gains in productivity per dollar of capital expenditure will be less.

2. The industry needs a higher level of profit not only to maintain its ability to serve to bring returns to stockholders up to the levels prevailing in other industries.

Nevertheless, the expectation is that bituminous prices will rise no more than modestly if at all in the next 5 to 10 years though fluctuations naturally will occur from time to time until wage increases and other cost-boosting items can be offset by rising productivity.

For the first-half of 1958 the picture will be one of concessions on prices here and there though basic stability will be maintained. In other words, no given decline is expected.

Buying the same product for 30 years from the same supplier can reflect on the purchasing agent. Good management knows that it is very unlikely that in that time this one firm always offered the best buy.

Talkie-Readie Device Perfected

Tokyo—A magnetic record-playback device permitting simultaneous audio-visual communication will be exhibited by the Canon Camera Co. at the Brussels Trade Fair in April. Called the Canon Synchro-Reader, the new apparatus is expected to be highly useful in business communication, entertainment, education, and journalism.

Commercial designing of the Synchro-Reader is still in an experimental stage but is scheduled for completion before the end of January. The device, developed by Professor Yasushi Hosohino of the Tokyo Institute of Technology, will be marketed next fall.

The instrument to be exhibited in April will be a table model enclosed in a plastic cabinet about 2 ft. long, 18 in. wide, and 8 in. high. A recording sheet is pasted on the back of a document—photograph, letter, illustration, musical note, news article, etc. The document is then attached to the top surface of the apparatus, and three record-playback heads revolve under it, permitting communications to be transmitted to the eyes and ears simultaneously.

Canon is now designing a "Synchro-Printer" for reprinting of audio-documents. It hopes to turn out an automatic printer capable of reproducing in one operation both the recorded and printed side of the page. It probably won't be ready for display at the Brussels fair.

Price of the Synchro-Reader has not been determined, but Canon officials believe it will be lower than the prices of top-quality dictating machines and tape recorders.



Purchasing agent's order reaches warehouse—often by phone. Then follows . . .



Order filling, often

Warehouses Not Only Fill Metals

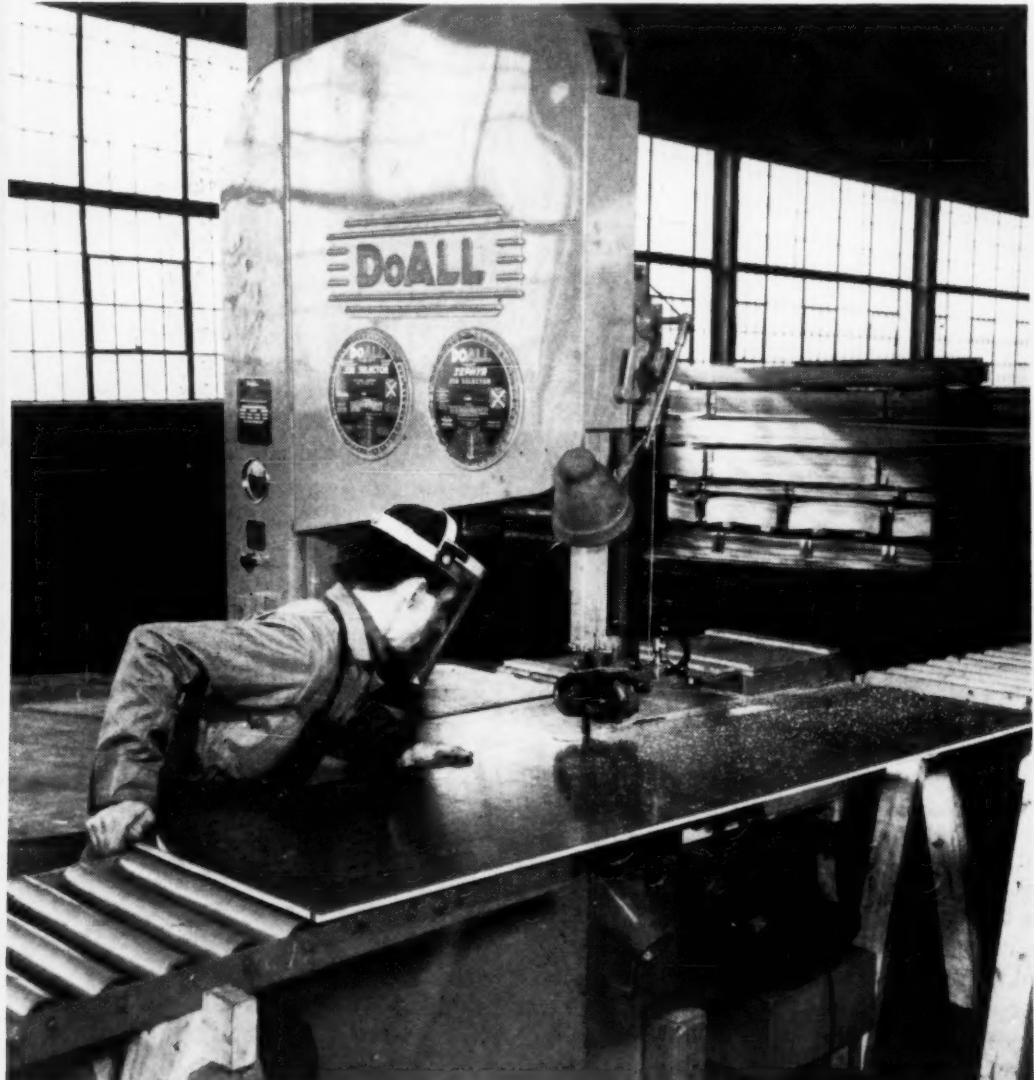
After a Quick Tour (in Pictures) of This Warehouse and Seeing How It Operates, Purchasing Agents Will Realize Why Such Distributors Are Doing More Business

Warehouses serve metals buyers in three distinct ways: 1. supply metals quickly; 2. advise customers on the selection, fabrication, and application of metals; and 3. provide storage space for the consumer and reduce or eliminate his need for maintaining a metals inventory.

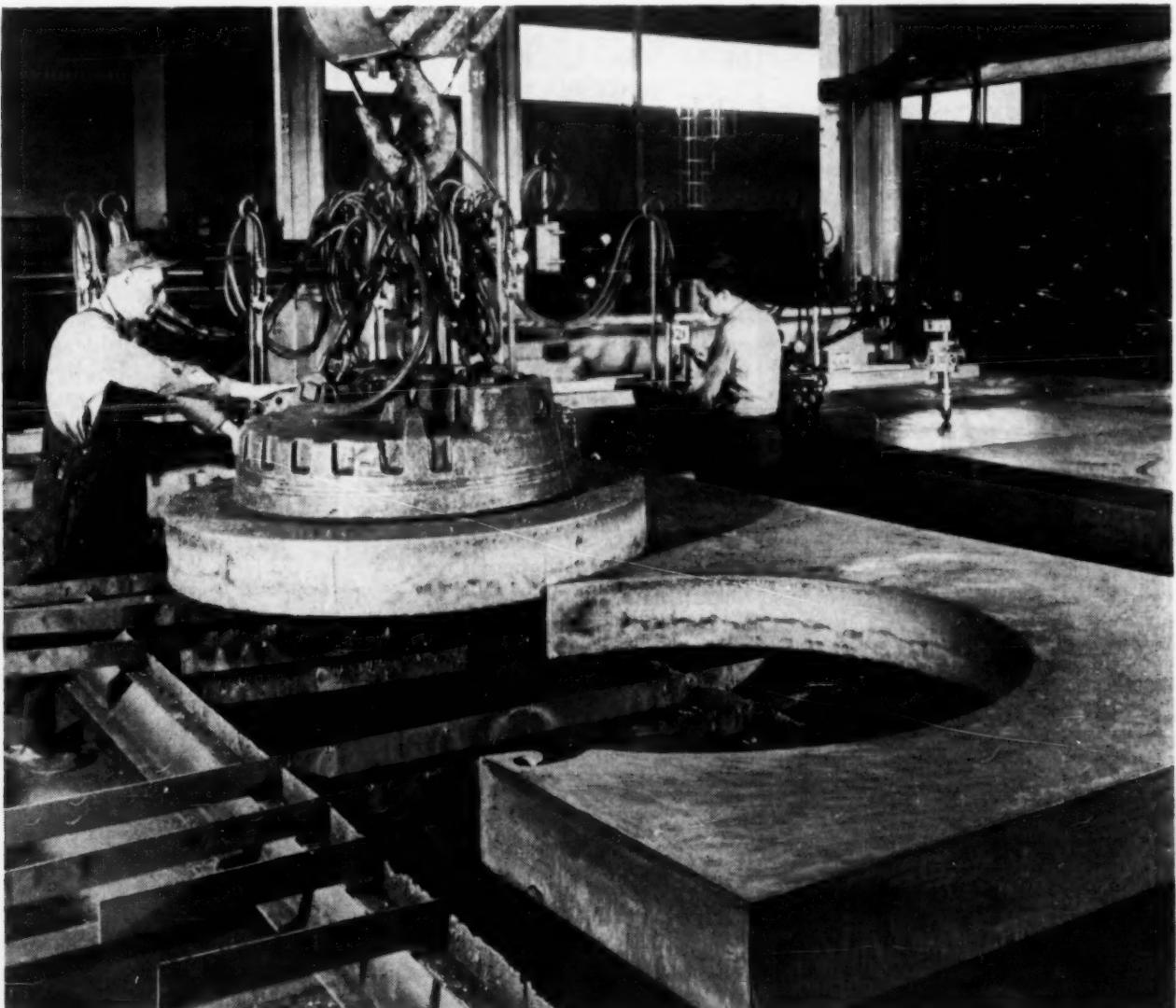
Warehousemen like to apply the following formula when determining the cost of metals to the consumer: Purchase Price + Cost of Possession = Cost Ready for Use. Purchasing agents, in the current tight money market, have increasingly been guided by this formula in their buying.

That the warehouses have handled their job well is attested by the fact that they now distribute almost 20% of all domestic steel production and over 12% of aluminum production.

Pictures came from Edgcomb Steel Co. and A. M. Castle & Co.



Processing is often required. Sawing is one.



Flame-cutting is used. Cut through 8-in. plate is shown here.

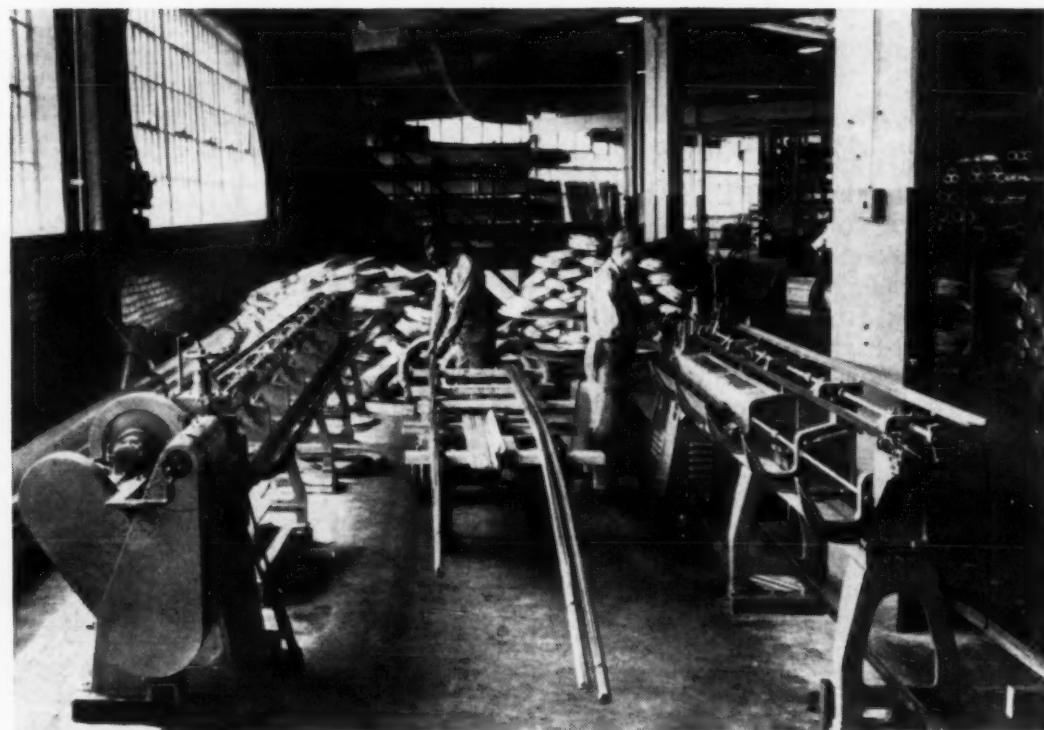


often from ample stocks maintained by warehouses to assure prompt service. Buyers' needs determine stock carried.

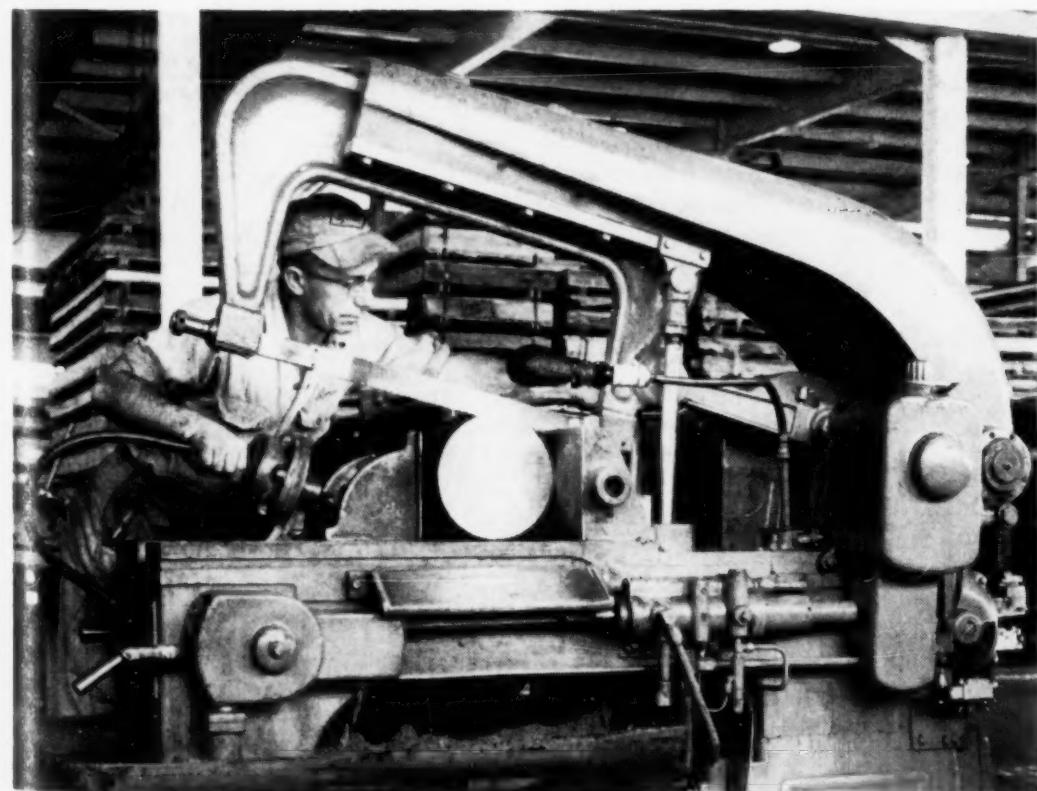
Orders; They Also Provide Services



Slitting is sometimes necessary. Here 36-in. stock is slit.

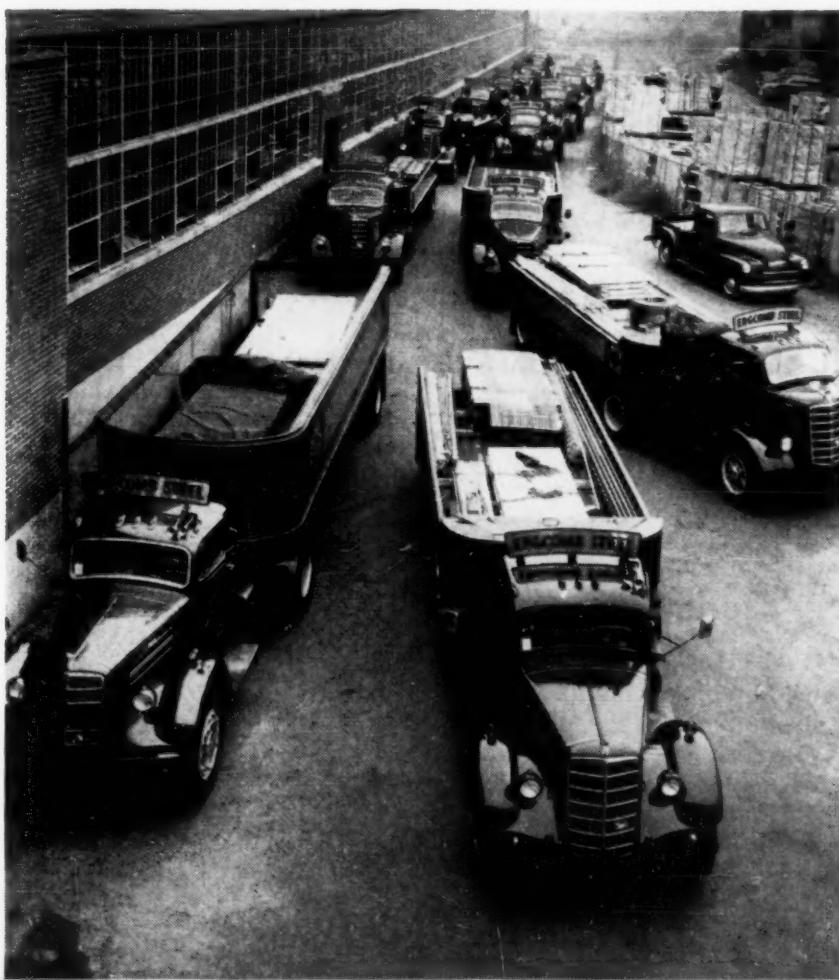


Wire straightening and cutting are often necessary.



Bar sawing—to 24-in. width capacity—is easy.

LATER, but not much later, material is on way to the customer. Some deliveries are made within hours.



Westinghouse Plans Sales Program For New Year to Attract P.A.'s

Pittsburgh — Westinghouse Electric Corp. is boozing the New Year off with a "power-up" sales broadside expected to spray purchasing agents with luring advantages.

It will be the most comprehensive sales promotion Westinghouse has ever attempted. Sales in industrial and heavy apparatus equipment range from \$1 for a roll of wire-insulating tape to well over \$10 million for a big turbine-generator installation.

Other suppliers in the field, such as General Electric, Allis-Chalmers Manufacturing Co., and McGraw-Edison Co. are expected to follow similar lines of attack to promote "electromotion."

"We determined as long as six or eight months ago that 1958 would be a year in which a sales job would have to be done," said Tomlinson Fort, vice president-Apparatus Division, when discussing the new program.

"We think 1958 will be a good year, but it's going to be a challenging one," he added.

The Westinghouse "power-up" push will be a do-it-yourself program. A 90-minute stage show is slated to hit more than 100 cities from coast to coast beginning Feb. 1.

Special Truck Bodies Seen as Key to Savings

Cleveland — "Specially designed industrial trucks will make greater contributions to reduce production costs in 1958, than ever before," according to Sheldon K. Towson, president of the Elwell-Parker Electric Co.

Towson said "The additional cost spent on a specially designed truck will be returned many times over, if the truck has been properly engineered to meet job requirements."

He pointed out that in recent years, more and more companies have been specifying specially designed models as opposed to stock models because of their ability to perform specific tasks far more economically and with greater efficiency.

IBM Purchases Land In N. J. for New Plant

Endicott, N. Y. — International Business Machines Corp. has announced acquisition of land at Dayton, N. J., for the site of a new card manufacturing plant.

The plant will be designed to supply the rapidly growing needs of data-processing customers along the Eastern Seaboard. It is slated for completion by next fall when a nuclear force from the IBM plant, Endicott, N. Y. will begin production.

Clarke Buys Sweeper Co.

Muskegon, Mich. — Clarke Sanding Machine Co. has announced the purchase of the Modern Power Sweeper Co., Azusa, Calif. All orders for both machines and service parts will be handled by Clarke.

in the fall of 1958, the company estimated.

A similar recovery plant will be built at Louisville, Ky. Both plants will use a process recently developed by National Carbide for reclaiming calcium oxide for reuse.

Standard Acquires Plant

Philadelphia — Standard Pressed Steel Co., Jenkintown, Pa., has acquired National Machine Products Co., Utica, Mich. National Machines makes hexagon nuts and commercial lock nuts, and has a 234,000-sq. ft. plant in Utica.

Plastic Panel Sales Up 20% in '57, Still Rising

El Segundo, Calif. — Davis S. Perry, president of Filon Plastics Corp., estimates that total industry sales of reinforced plastic panels increased 20% during 1957 and will increase an additional 25% in 1958.

He predicts that 62.5 million sq. ft. of reinforced plastic paneling—with an estimated retail value of \$43.75 million—will be sold to builders, industry, and do-it-yourselfers in 1958. An estimated 50 million sq. ft. of corrugated and flat panels sold by the industry in 1957 had an ap-

proximate retail value of \$35 million, representing a 20% increase in both footage and dollar volume over 1956.

Meriwether, Inc., to Sell For Niagara Machine

Buffalo, N. Y. — Niagara Machine & Tool Works has announced the appointment of George M. Meriwether, Inc., as distributor in Alabama and northwestern Florida.

Home office of Meriwether is 1712 7th Ave. N., Birmingham 4, Ala. The South District office is at 351 St. Louis St., Mobile, Ala.

"But I don't have time to read!"



BE A CONFERENCE "CLOCK-WATCHER" . . . Be Succinct. Then sit down. The boss will bless you. If you're in a meeting-happy company, campaign for faster, fewer meetings. Everybody gets more done . . . but you're the big time winner. Explore some of the great things you may have missed in these pages.

Find out what's going on in other functions and phases of your industry.

LOOK AHEAD, READ AHEAD, GET AHEAD . . . today.

Little future for "stand-patters". Be alert. Be informed. Management's watching you. Stimulate your brain cells. Upgrade your viewpoint. And do it on your own terms... as many reading minutes as you like, when and where you want to apply them. For the more time you invest reading your favorite McGraw-Hill business publication, the more time you save to do a better job, to see more of your family, to enjoy life.



EAT LESS FOR LUNCH . . . You put away fewer groceries in a 1-hour lunch than a 2-hour lunch. You feel lots better. Costs less, too. And look at the time you gain! Invest it in reading. Expose yourself to the current experience of men with similar problems and common goals. Know what's going on. Be an "authority".





Running a Bulldozer from Feet Away

A bulldozer can be operated from as far as 15 miles away through use of an electronic control developed for the Army. The device is intended for use in A-bomb contaminated areas. But it has its peacetime uses too. It may be used to control equipment working in dangerous areas, such as at the foot of cliffs, near ravines, at fires. In certain instances an operator may be able to control several pieces of equipment simultaneously.

Russians Widen Role In Commodity Market

By George Bull
McGraw-Hill World News Correspondent

London—Russia is beginning to play a significant, although still marginal, role in the commodity market. That's becoming apparent here.

Figures are hard to come by, and the Soviets have a way of buying and selling just when it suits the political trend. As a result, there are lots of imponderables. But Londoners say this much is certain: Communist interest in world raw materials more and more is going to influence tomorrow's commodity pattern.

London's influential "Metal Bulletin" puts it even more strongly: "Soviet offers of a number of metals including aluminum, zinc, lead, and tin have been coming forward at a rate which has probably not been without some effect on world prices. There is even a danger that Russia may be able eventually to dictate the level of world metal prices."

Soviet Mining Expansion

That's quite a forecast but remember that Russian influence can affect not only the base metals but tea, rubber, sugar, and cotton. And don't forget that Russia now claims sixth place in world trade.

The Soviet Embassy here says big efforts are being made to expand Russia's mining base, particularly in the copper, nickel, and lead and zinc industries. Increased capacities, too, are scheduled for aluminum and titanium.

That doesn't necessarily mean more Russian materials will find their way into world markets. But, it's a distinct possibility, and Russian deals already are having an impact.

Look at copper. News that Russia was negotiating to buy copper wire in Chile for her satellites, perhaps 50,000 tons, came as a blow here. Russia previously

has bought much copper wire in England.

Then there was the Soviet mission to Ceylon . . . purpose? A trade pact perhaps stipulating annual Soviet purchases of 30 million lb. of Ceylon tea. Buyers here are well aware that since the Soviets entered the Colombo tea market last October occasional Russian buying has helped to keep tea prices steady.

New Aluminum Production

And look at aluminum. It's reported here that the Russians plan construction of a score of new automated factories for producing aluminum during the remaining years of the five-year plan. Output in Russia is perhaps 500,000 tons a year at the moment. Last year, the Soviet Union delivered more than 9,500 tons of aluminum to Britain. This adds to the pressure on prices and can add even more if the Reds see fit to unload in a big way.

There's been some hope that the price slide in platinum may end. But observers here think there is a big "if" to it—if Russian supplies which knocked down the price when demand from free world oil refiners fell off don't start mounting again. Russia, remember, is the third biggest world producer of platinum.

There's also the negative aspect. Some quarters here think one reason natural rubber prices have been slipping in London is the absence of an expected growth in demand from Russia.

These examples drive the point home. As yet, Russian influence still is overshadowed by the impact of free world industrial demand and supply. But it's confidentially reported here that among the committees Soviet foreign trade planners set up in Moscow last month was one to deal with non-ferrous metals.

So, there may be more shocks in store.

Traffic Experts Tell How to Slay High-Transportation-Cost Dragon

- Better Shipping Choices Send Company Profits Soaring
- Low Inventories Call for New Skills on Part of Purchasing Agents
- Method of Shipment Must Be Chosen with Greatest Care

(Continued from page 1)
many P. A.'s are sharpening their knowledge of shipping methods.

Currently popular low inventory policies also necessitate this. Smaller purchases require speed, reliability, and the lowest shipping rates.

Transport expert Harry M. Frazer, retired director of traffic for the Woolworth Co., emphasizes that money saved by a purchasing agent in this way goes into the net profit column of his firm.

"With the business recession expected to lag into mid-1958, and no boom expected in the remaining months," he adds, "this is one important way a firm can readjust decreasing profits."

Study Supply Areas

Knowing the importance of cost-cutting in receiving is one thing. Knowing the means whereby it may be achieved is another.

Purchasing agents can sit down with their traffic managers and examine every phase of their own complex traffic problems. P. A.'s with smaller firms can work similarly with traffic consultants.

Discussing facts and figures, Frazer, now president of United Pool Car Distributors, said:

"Each individual purchasing agent, of course, will have his own individual problems. But, in the main, savings can be achieved through consolidation, pooling, choosing the best means of transportation, and a few other tricks of the trade."

Key Factors

Here are key facts a P. A. should keep in mind in striving to reduce his net landed cost.

1. Overland transportation is the cheapest method.

2. The greater distance, the greater rate.

3. Carload rates are always much lower than less-than-carload rates.

George Ellig, vice president of United Pool Car and an instructor of traffic methods, listed several requisites for consolidating—or grouping—enough purchases at one origin point to have them shipped by carload:

Japanese Steel Firms Slash Pig Iron Prices

Tokyo—Japan's three largest steel makers, Yawata Iron & Steel, Fuji Iron & Steel, and Nippon Steel Tube, have jointly decided to slash prices of pig iron and steel products by 3,000 to 5,000 yen per ton. Even greater cuts may be made in March.

The decision is based on lower production costs resulting from a decrease in raw material prices and marine freight charges. But even with the cuts, Japanese prices are still higher than the prevailing market level.

• Study supply areas by checking orders placed in the past. Group heaviest supply areas picking points of origin in each, e.g. If a P. A. has 35 suppliers in New York City and the surrounding area, he can make his purchases FOB origin point in the city.

• Check the chronology of orders placed to see if enough purchases can be gathered in a week, ten days, or two weeks to fill a carload at the origin point.

• Decide if it is possible to wait to group these orders or whether it is necessary to have them immediately.

"To do this," Ellig remarked, "a purchasing agent must develop a program of pre-planning and anticipation in advance. In this way he can purchase weeks or months ahead to meet his deadline."

Examining the terms of purchase is most important in a consolidation program. The P. A. must try to make his orders read FOB origin point or he will have further expense transporting them from one delivery point to his shipping center.

The purchasing executive for a large manufacturer in Michigan is undertaking a consolidation program this month with the help of his traffic manager.

Consolidation Important

At one origin point alone, he expects to save 70¢ cwt on a certain commodity. On the minimum carload weight of 30,000 lb., this will amount to \$210 per carload.

Consolidation could also prove to be the answer to such inventory problems as:

Speed—Faster time in transit because the contents of a car are not subject to physical handling as are LCL shipments headed in the same direction.

Reliability—Less handling in transit—treatment normally accorded carload lots—eliminates

to a great extent possible damage.

Lower cost—LCL rates are often 50% higher than CL rates.

When a P. A. is forced to have his purchases shipped to him in LCL lots, many times truck lines have lower rates for some commodities than rail carriers.

But there again another angle—choosing the best means of transportation—should be taken into consideration. A P. A. learned last year that he misspent \$2,400 on one movement of paper in 1,000 to 2,000 lb. lots by selecting the wrong truck line.

A competing carrier had a lower rate published for 1,000-lb. lots and did not assess a pickup charge on the purchaser's movements.

It should be noted that the cost of materials is not the invoice price but the delivered price. Therefore, cutting the delivered cost is cutting the price of the commodity.

Important Questions

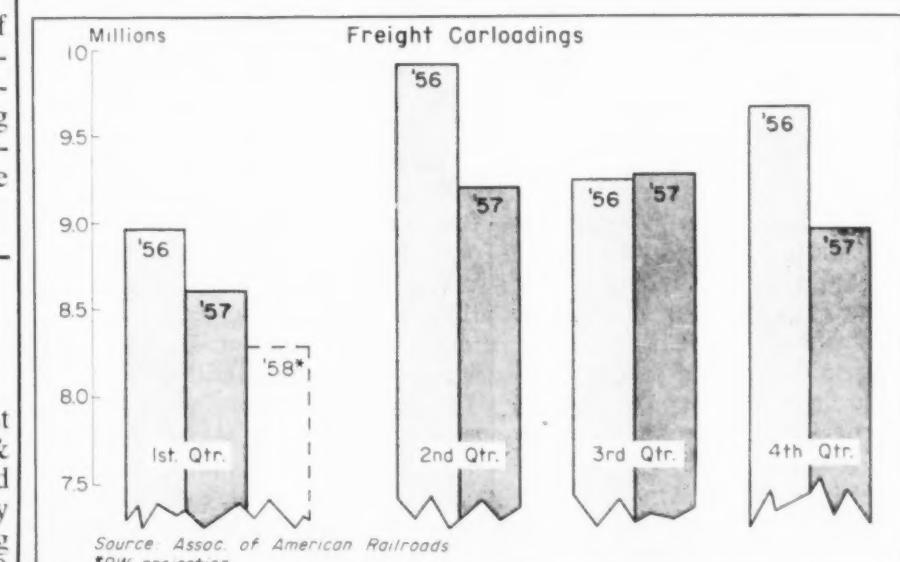
William Ehalt, president of Eastern Freight Traffic Service, New York, one of the largest traffic consultant firms on the East Coast, pinpointed the following questions for the P. A.

1. Does he consult regularly with his traffic manager to determine the most economic purchase quantities in relation to transportation units?

2. Does he work closely with traffic on loss and damage claims, on expediting and tracing shipments of inbound materials?

3. Does he keep in touch with his traffic manager for developments relating to upcoming rate or classification changes, or for the possibility of labor trouble affecting inbound shipments?

"In other words," explained Ehalt, "purchasing and traffic should work hand in hand to defray to the greatest extent rising costs in transportation."



Freight Traffic Serves as Indicator

Freight traffic has proved itself a valuable leading indicator of business conditions. Note that carloadings foretold current decline a year ago. (Slight third-quarter 1957 year-to-year increase must be completely discounted because of the '56 steel strike). Another 5% drop in carloadings is expected in '58. Dip will be paced by decreased activity in the steel and coal areas of the economy.

P.A.'s Will Take Discounts But Better Offers Now Rare

New Vendors Give Best Rates; Savings Cited in National Survey; Three Reasons Given For Purchasers Bypassing Cash Allowances

New York—It's a rare purchasing agent who deliberately passes up a supplier's cash discount. And, despite a current leveling off in business activity, it's a rare supplier who is offering improved discounts to attract more customers.

A PURCHASING WEEK survey in principal cities from coast to coast showed that only in a few isolated cases were discounts deliberately bypassed by P.A.'s.

The almost unanimous reaction to the queries was expressed by Paul O'Brien, director of purchases, Frank Adam Electric Co., St. Louis. "We take advantage of all discounts offered," he said. "We regard the loss of any cash discount just as we would an operating loss."

A purchasing agent for an electrical equipment firm in Cleveland emphasized: "We consider discounts as part of the price." He said his company saved about \$35,000 a year on discounts.

The reasons given for passing up cash allowances were: 1. the tight-money situation, 2. the need to have cash on hand, and 3. time to check shipments from a new vendor.

"Touchy" Situation

"We normally try to take advantage of cash discounts," explained Jack W. Edwards, P.A. for Guiberson Corp. of Dallas, "but sometimes we pass them up. This has no relation to the purchase."

"It's just that at certain times of the year it might be more desirable to employ our money otherwise than in obtaining cash discounts."

I. Owen, purchasing agent for the Collins Radio Co., also in Dallas, regarded the subject as

"touchy" because "we have a tight-money situation. If money is plentiful," he added, "we take advantage of discounts."

The third reason given for bypassing allowances was explained by a spokesman for a large St. Louis chemical firm.

"If the discount is small and the material has not been received and checked and if we have had little or no experience with the vendor, we will pass up the discount," he said.

"This will give us time to check the shipment for compliance with the purchase order."

Little Increase In Discounts

The survey also showed that, on the other side of the fence, few if any suppliers were increasing their discounts. The tendency was rather to hold stable, lower discounts, or go on a 30-day-pay basis.

A typical cash allowance currently ranges from 0.5 to 2% in 10 days. Only in certain cases, such as concrete pipe or ready-mix cement, do vendors offer deductions up to 5%.

A P.A. for a major machinery manufacturing company in Cleveland felt the trend at present, particularly in his field, was toward lower discounts.

"In any inflationary period," he remarked, "the tendency is to increase prices and the reduction of discounts is one way to get more money for your product."

Russell Runyan, purchasing manager for Dorr-Oliver, Inc., Oakland, Calif., makers of centrifuges and valves, agreed. "Vendors are more anxious to get their money quickly," he said. "That's why they're tightening discount terms."

However, a spokesman for an

aircraft manufacturing firm in St. Louis said cash discounts offered his company still show "wide variations."

"The most liberal terms come from suppliers in highly competitive fields, like warehouse firms selling standard aircraft parts."

Another exception seems to be on certain fabricated steel items and chemicals for plating and degreasing. Gerald L. Brooks, P.A. for Norgren Stemac, Inc., plating and plastics company in Denver, pointed out:

"In most cases the improvement on these items has been from 0.5 to 1%. Also, on some of these items we had been getting no discount before."

There also has been little activity on the part of vendors to institute new types of discounting to get business where previously they did not offer discounts.

"Instead of offering new discounts," Joseph A. Brazil, P.A. for Joy Manufacturing Co. of Dallas said, "we find that more suppliers are stopping discounts entirely and going on a 30-day-pay basis. I would estimate that 10 to 12% have stopped offering cash discounts."

On the other hand, the purchasing manager for Scripto, Inc., Atlanta, manufacturers of pens and pencils, reported no recent changes in discount policies of their vendors.

Certain Exceptions Noted.

"Discounts," he said, "are running basically at the same rate, and no vendors here have offered new ones."

Of course, as another purchasing agent pointed out, in certain areas where competition is extremely keen or where a vendor is just starting out, discounts are more or less a necessity.

Don Werter, P.A. for Clary Corp. in Los Angeles which makes aircraft and missile components along with electronic data handling equipment, met with such an instance.

"We have one vendor who just started out in business about six months ago, and they've been giving fairly liberal discounts since their inception. But that is the only case I know of recently."

How to Buy Non-Ferrous Metals

By ALVIN W. KNOERR, Editor, *Engineering & Mining Journal*

Here are some lessons which purchasing agents for metal consuming companies have learned during the postwar period.

1. When prices are at or near bottom, don't allow your inventory to go below normal. A 60-day supply is minimum for many large manufacturers. Metal prices are getting pretty close to bottom now. Metal stocks in the hands of producers are high—but only equivalent to 2 to 2½ times monthly requirements of industry and not much above normal pre-war safe levels.

2. Don't speculate in metals. You're sure to get burned. Furthermore, speculation by buyers contributes to violent price swings. Just ask the men in your plant what price swings do to their catalog quotations and sales efforts, and you'll be convinced that any gain made by speculative buying is more than offset by disruptions to your business caused by widespread speculative buying. Contrary to common opinion, large metal producers do deplore wide price swings and speculation in metal prices. That is why the tonnage traded in the U. S. commodity exchange is insignificant.

3. Don't buy all your metal from one primary producer. He may be the only one shut down by a long strike. If metals are scarce, you will have to beg for deliveries.

4. Buy from producers who will stick by you in times of scarcity and will not shunt their sales to foreign shores at higher prices. Such producers are likely to sell at less than peak prices during scarcity and ask somewhat higher than bottom prices during slack market periods. All of this contributes to stability in supply and prices.

5. In times of extreme scarcity don't bid up the price. Chances are the extreme high prices will not bring out any more metal in time to relieve the shortage; and when such high prices do stimulate over-production, they merely start another bust-and-boom cycle.

6. You may elect to buy metals from most sellers on a daily price basis, a weekly average, or a monthly average. Buying on the average will iron out short-term price shifts. Don't expect to gain a price advantage by switching from a daily price deal in a falling market to a monthly average in rising market. No matter how badly the metal sellers need the business, they will not agree to such shifts in buying contracts.

7. Keep informed on the metal market situation. The business press supplies adequate advance information which will enable you to keep your plant supplied with metals at reasonable prices.

8. If your company's accounting system is set up on a LIFO basis for tax purposes, start worrying about your metal inventory position in September. Don't wait until December to get last minute delivery because freight service may be the bottleneck—not supply of metals.

Mallory Reduces Price Of Tantalum Capacitors

Indianapolis, Ind.—P. R. Mallory & Co., Inc. announced a substantial reduction in the price of tantalum capacitors applicable to orders received and open order balances as of Jan. 2. Reductions reflect improvements in component design, techniques of manufacture, and processing equipment which have made possible sizeable economies in production.

The new prices apply to the company's complete line of tantalum high temperature capacitors used in military and commercial electronic equipment.

Corrugated Box Cuts Cost

San Leandro, Calif.—Packaging costs have been cut by Caterpillar Tractor Co. by using a corrugated box to ship fuel injection units. This 140-lb. precision part for tractor engines which is shipped from San Leandro to Caterpillar's plant at Peoria, Ill., was formerly packed in wood crates.

Jacksonville men: Charles W. Chambers, Food Machinery & Chemical Corp.; Charles T. Myrick, Aetna Steel Co.; and Ollie L. Williamson, Merrill-Stevens Dry Dock & Repair Co.

Kaiser Adds Two Sizes To Aluminum Alloy Pig

Chicago—Kaiser Aluminum & Chemical Sales, Inc., has announced the availability of aluminum standard alloy pig in two new small sizes, 10 and 30 lb. They are available in the following alloys: 2312, A2312, 2393, and 2364.

The smaller pigs will be of value to users who cannot handle the 50-lb. size because of equipment limitations Kaiser said.

Heavy-Construction Equipment Industry Relying on New Designs

New York—Heavy-construction equipment industry is relying on new design to keep afloat in a tide of rising labor costs, narrowing profit margins, and sharpening competition, according to Product Engineering magazine. It questioned 350 major equipment builders, in a recent survey.

Main reasons for contractors demanding equipment with greater capacity are increased wages and equipment costs. A shortage of experienced machinery operators has forced design to figure out easier-to-operate methods and controls that last longer despite rough treatment. All this leads to the doubling of research and development expenditures.

Industry leaders are advancing along six separate design fronts:

1. Improving rubber tires and expanding their use.
2. Improving metals.
3. Searching for more efficient lubricants.
4. Upgrading the horsepower

of power plants while reducing their size and weight.

5. Simplifying work for the machine operator.

6. Making servicing easier.

Most of all, the magazine found out, the heavy-construction equipment manufacturer wants versatility. He wants a tractor that can be a dozer, a prime mover, a crane, a backhoe, a front-end loader, and a shovel. Also in demand is a mobile crane that can be a shovel, a crane, a materials-handling unit, a pile-driver, and a hoe. By drawing on advances in technology, the industry is driving ahead to meet such requirements.

Aggregate Builds Plant

England, Ark.—Arkansas Lightweight Aggregate, Inc., is erecting a \$300,000-lightweight concrete aggregate plant.

Meetings You May Want to Attend

First Listing

Institute of Aeronautical Sciences—Annual Meeting, Hotel Sheraton-Astor, New York, Jan. 27-30.

Society of Plastics Engineers—Annual Technical Conference, Sheraton-Cadillac Hotel, Detroit, Jan. 28-31.

Power & Communications Contractors Association—13th Annual Convention, Roosevelt Hotel, New Orleans, Feb. 2-5.

Society of the Plastics Industry, Reinforced Plastics Division—13th Annual Conference, Edgewater Beach Hotel, Chicago, Feb. 4-6.

Motor and Equipment Wholesalers Association—National Convention, Statler Hotel, Los Angeles, Feb. 18-19.

American Power Conference—20th Anniversary Meeting, Sherman Hotel, Chicago, March 26-28.

American Society of Tool Engineers—Tool Show and Annual Meeting, Convention Center, Philadelphia, May 1-8.

National Tool & Die Manufacturers Association—Spring Meeting, Statler Hotel, Washington, D. C., May 3-6.

American Material Handling Society—1958 Western Material Handling Show, Great Western Exhibit Center, Los Angeles, May 8-10.

American Society of Mechanical Engineers—Semi-Annual Meeting, Statler Hotel, Detroit, June 15-19.

American Society for Testing Materials—Annual Meeting, Statler and Sheraton Plaza Hotels, Boston, June 22-27.

Association of Iron and Steel Engineers—Annual Meeting, Public Auditorium, Cleveland, Sept. 23-26.

Foundry Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 16-18.

Conveyor Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 18-21.

American Society for Metals—National Metals Exposition and Congress, Public Auditorium, Cleveland, Oct. 27-31.

National Electrical Manufacturers Association—Annual Meeting, Hotel Traymore, Atlantic City, Nov. 10-14.

National Electrical Contractors Association—Annual Convention and National Electrical Exposition, Adolphus Hotel, Dallas, Nov. 16-21.

Society of the Plastics Industry, Inc.—8th National Plastics Exposition, International Amphitheatre, Chicago, Nov. 17-21.

Previously Listed

JANUARY

Society of Automotive Engineers—Annual Meeting, Sheraton-Cadillac and Statler Hotels, Detroit, Jan. 13-17.

National Industrial Conference Board—General session for all associates, Hotel Commodore, New York, Jan. 16-17.

Institute of Scrap Iron and Steel—Annual Meeting, Eden Roc, Fontainebleau, and Deauville Hotels, Miami Beach, Fla., Jan. 19-22.

American Road Builders' Association—Annual Meeting, Sheraton-Park Hotel, Washington, Jan. 20-23.

Association of Steel Distributors—Convention, Algiers Hotel, Miami Beach, Fla., Jan. 26-Feb. 2.

Industrial Heating Equipment Association—Annual Meeting, Penn-Sheraton Hotel, Pittsburgh, Jan. 27-28.

American Society of Heating and Air-Conditioning Engineers—64th Annual Meeting, Penn-Sheraton Hotel, Pittsburgh, Jan. 27-29.

Plant Maintenance and Engineering Show and Conference—International Amphitheatre, Chicago, Jan. 27-30.

Steel Plate Fabricators Association—Annual Meeting, Roosevelt Hotel, New Orleans, Jan. 30-31.

FEBRUARY

Instrument Society of America—National Conference on Progress and Trends in Chemical and Petroleum Instrumentation, Wilmington, Del., Feb. 3-4.

Public Utility Buyers Group, NAPA—Mid-Winter Meeting, Sheraton Hotel, Philadelphia, Feb. 3-5.

American Institute of Electrical Engineers—Winter General Meeting, Statler and Sheraton-McAlpin Hotels, New York, Feb. 3-7.

National Tool and Die Manufacturers Association—Winter Meeting, Ambassador Hotel, Los Angeles, Feb. 5-8.

Purchasing Agents Association of Alabama—Annual Seller-Buyer Dinner, Dinkler-Tutwiler Hotel, Birmingham, Ala., Feb. 13.

American Institute of Mining, Metallurgical and Petroleum Engineers—Annual Meeting, Statler and Sheraton-McAlpin Hotels, New York, Feb. 16-20.

Annual Chicago World Trade Conference—Chicago, Feb. 27-28.

MARCH

American Machine Tool Distributors Association—Spring Meeting, Hotel Roosevelt, New Orleans, March 10-11.

Nuclear Congress—Co-sponsored by American Society of Mechanical Engineers and Engineers Joint Council, International Amphitheater, Chicago, March 16-21.

Steel Founders' Society of America—Annual Meeting, Drake Hotel, Chicago, March 17-18.

National Association of Corrosion Engineers—Annual Conference and Exhibition, Municipal Auditorium, San Francisco, March 17-21.

APRIL

American Welding Society—Annual Meeting and 6th Welding Show, Statler Hotel, St. Louis, April 14-18.

MAY

National Welding Supply Association—14th Annual Convention, The Americana, Miami Beach, Fla., May 5-7.

American Public Power Association—Annual Meeting, New Orleans, May 6-8.

National Association of Purchasing Agents—Annual Convention, Conrad Hilton Hotel, Chicago, May 11-14.

American Society for Metals—Southwestern Metal Exposition and Congress, State Fair Park, Dallas, May 12-16.

American Foundrymen's Society—62nd Annual Convention and Exhibition, Public Auditorium, Cleveland, May 19-23.

American Iron & Steel Institute—Annual Meeting, Waldorf-Astoria Hotel, New York, May 21-22.

Triple Industrial Supply Convention—Waldorf-Astoria Hotel, New York, May 26-28.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of Purchasing Week to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.

Spending for Highway Materials

Will Top \$2 Billion This Year

Total Will Hit \$5.5 Billion; Rise to \$6.7 Billion in '59 Expected; Steel, Cement, Asphalt Big Items

Washington—Highway builders will buy big quantities of materials and supplies for road construction projects this year. Before next Christmas rolls around, contractors and highway departments will lay out more than \$2 billion for basic products ranging from dynamite to bridge steel and paving materials.

Road building is picking up fast after a slow start on the huge program that Congress set in motion less than two years ago. Construction forces are gearing to do their part in the \$100-billion 13-year building schedule envisioned by the legislators when they wrote the 1956 Highway Act.

Year by year highway construction volume rises to new record highs. For 1958 construction statisticians of the Commerce and Labor departments have forecast a new spending peak of \$5.5 billion for road-building projects—up nearly \$800 million above last year. State and local highway agencies will turn over that amount of money to contractors and suppliers in payment for work performed and materials delivered to the jobs.

Early months of the enlarged

program have been spent in laying the groundwork for stepped-up construction activity. During the last year and a half highway departments have made location surveys, acquired rights-of-way and prepared engineering designs and specifications to permit a speedup in contract awards for construction. The tempo will continue to increase in the next year or two to a level of some \$6.7 billion spent annually on highway construction jobs.

Highway buying will be heavy this year from several key industries. Steel requirements amount to nearly 3 million tons. Cement mills will ship 85 million bbl. to highway jobs, while the demand for bituminous materials (principally asphalt, with some tar and road oils) will exceed 8 million tons.

Structural items make up nearly half of the steel requirement, accounting for more than 1,400,000 tons. Rolling mills and fabricating shops will be called on for delivery of some 670,000 tons of wide flange shapes, 300,000 tons of standard shapes, 145,000 tons of bearing piles, 45,000 tons of sheet piles, 85,000 tons of wide plates, and 200,000 tons of standard plates.

Reinforcing steel required during the year totals 1.1 million tons. Purchases will be divided about this way: 890,000 tons of bar steel and 220,000 tons of wire reinforcement. Other steel requirements call for 300,000 tons of manufactured and fabricated products.

Lumber needed this year on new highway construction projects adds up to the sizable total of 535 million bd. ft. At the same time, the year's construction program calls for more than 125 million bd. ft. of timber piles for the foundations of highway bridges and other structures.

Largest quantity of any single item required is nearly 600 million tons of aggregates (sand, gravel, and crushed rock) to be incorporated in roadway pavement and in masonry structures. Probably half of this volume will be produced and processed by highway contractors through their own plants while some 300 million tons will be purchased from commercial producers.

Pipe for culverts and drainage purposes also runs into large figures. Road builders this year will buy nearly 3,250,000 tons of concrete pipe, more than 175,000 tons of corrugated metal pipe, and 100,000 tons of clay pipe and tile.

To power the machinery and equipment that will operate on highway construction jobs during the year, contractors will purchase gasoline, diesel fuel, and lubricants in the amount of 815 million gal. And for blasting rock in roadway cuts and quarries, they will buy 105 million lb. of dynamite and other explosives.

Capital Spending Plans (Millions of Dollars)

	1956	1957	1958	1957-1958 % Change
Manufacturing				
Iron & Steel	\$1,336	\$1,857	\$1,411	-24%
Nonferrous Metals	601	944	585	-38
Machinery	1,078	1,257	1,047	-17
Electrical Machinery	603	653	738	+13
Autos, Trucks & Parts	1,689	1,194	836	-30
Transportation Equipment (Aircraft, Ships, R.R. eqpt)	440	596	501	-16
Other Metalworking	887	866	623	-28
Chemicals	1,455	1,795	1,723	-4
Paper & Pulp	801	847	644	-24
Rubber	201	208	193	-7
Stone, Clay & Glass	686	604	552	-9
Petroleum Refining	711	889	933	+5
Food & Beverages	799	828	749	-10
Food	580	609	527	-13
Beverages	219	219	222	+1
Textiles	465	397	306	-23
Miscellaneous Manufacturing	1,035	969	773	-20
All Manufacturing	12,787	13,904	11,614	-16
Petroleum Industry	5,531	5,962	6,038	+1
Mining	443	460	375	-18
Railroads	1,231	1,457	1,064	-27
Other Transportation & Communications	4,229	4,530	4,575	+1
Electric & Gas Utilities	4,895	6,254	6,441	+3
Commercial	8,236	6,955	6,885	-1
All Business*	36,641	38,633	36,059	-7

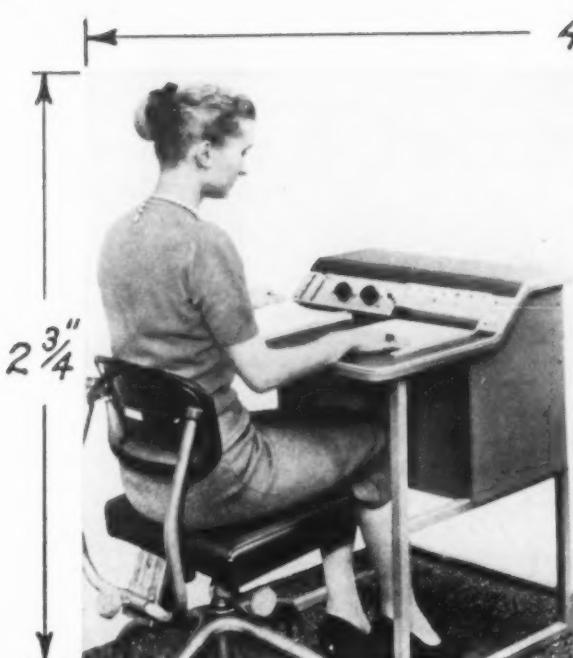
Source: U. S. Department of Commerce, Securities and Exchange Commission, McGraw-Hill Department of Economics.

*Those totals are corrected for duplications.

Capital Spending Plans Down 7% in 1958

The McGraw-Hill preliminary survey of capital spending points to a decline in one of the key areas of the economy. Manufacturing industries plagued with rising costs, lower sales, and overcapacity expect to cut outlays by a big 16%. Sharp drops are also predicted for mining and railroads. Electrical machinery is expected to show the only significant increase. Purchasing executives should find this table useful for gauging strength of machinery markets. You'll find machinery bargains a lot easier to come by in areas where capital outlays are scheduled for large cuts.

Picture
aids
product
recognition.



4 15/16"
Compact Microfilmer

For Small Office Use

Documat unit has 16mm. flow camera which can record as many as 7,200 letter-size documents on a single roll of film. Little skill is needed by operator. It can microfilm both sides of a single sheet at the same time. Fingertip controls, flash signals, and other automatic aids permit accurate run-off. Stapled, clipped, or pinned sheets will feed through and record without jamming. Machine will take pamphlets up to 1/4-in. thick. The unit is compact in size and has streamline design.

Single unit price: \$1,095. Immediate delivery.

Documat, Inc., Belmont, Mass.

1/13/58

Size permits you to paste
on 3 x 5 card

Copy gives only pertinent
details, cuts your
reading

How much it costs and
how soon you can get it

You'll know when item
appeared



Portable Printer

For 5-Gal. Cans

Chapco Print-A-Can portable printing device prints directly on all types of 5-gal. cans. Machine can handle up to 500 cans per hour with one operator. Unit is mechanical, requiring no electric or air power. It weighs 160 lb. and is equipped with casters making it portable. Stability of the printed matter exceeds requirements for markings on government contract orders. Printing area is 9x14 in. Type as small as 10 point may be reproduced, permitting many times the amount of copy possible with stencils.

Price: \$775. Delivery: 2 weeks.

Chapman Chemical Co., 60 N. Third St., Memphis, Tenn. (1/13/58)



Water Cooler

Provides Hot and Cold Water

"Oasis Hot 'N Cold" water cooler, Model BR-HC, is designed for a coffee break. In addition to furnishing hot water for instant beverages—and cold water for drinking, it has a refrigerated compartment for storage of bottled drinks, packed lunches, and practically anything that requires refrigeration. It can freeze and keep two trays of ice cubes. Model can be equipped with cup and beverage dispensers which are optional accessories at slightly higher cost.

Price: \$372. Delivery: immediate.

Ebcu Manufacturing Co., 264 N. Hamilton Rd., Columbus 13, Ohio. (1/13/58)



Multi-Handling Attachment

Carries Pallet Loads

Multi-Handling attachment for fork trucks is designed to handle numerous odd and varied-sized cartons in small quantities. Developed for use in appliance warehouse distribution centers, the attachment is adaptable to other warehousing and manufacturing operations. Included are a side shifter, a lift extender, a carton lip, a finger lift, and a pair of hinged forks. Users can pick up large or small loads, regardless of size or shape.

Prices: \$6,890. (FTD-020 electric truck) \$5,300. (FGD-020 gas truck). Delivery: 60 to 90 days.

Baker-Rauling Co., 1250 West 80th St., Cleveland 2, Ohio (1/13/58)

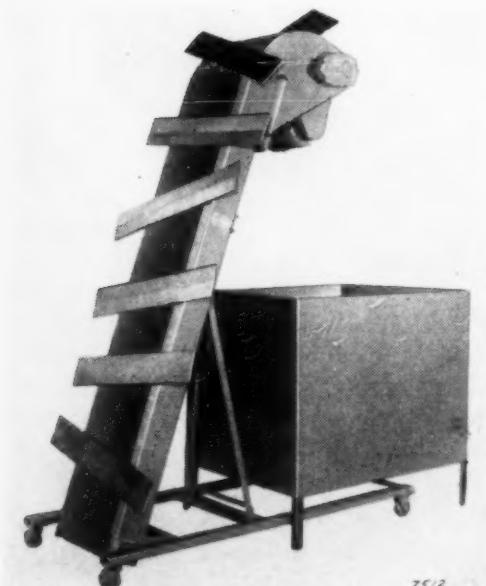


Lumber Pallet Jack

Speeds Unloading Operations

Ratchet lever jack helps unload lumber pallets from railroad cars at lumber or freight yards. The model 1928AX is useful for yards not equipped with complete mechanical unloading equipment. Jack is equipped with a toe lift to which a 40-in. steel angle is welded. Angle is inserted under one end of a lumber pallet, and the load is raised until two pipes can be placed beneath. Model is a standard single-acting, automatic-lowering jack, 28 in. high with 19 in. rise, 15-ton capacity and weighs 98 lb.

Price: About \$97. Delivery: immediate. Joyce-Cridland Co., 2027 East First St., Dayton 3, Ohio. (1/13/58)



Magnetic Conveyor

Reduces Downtime

Magnetic conveyor will lift magnetic-metal parts up an incline. Nylon guides ride in a track in the conveyor bedplate keeping the belt permanently aligned without fatigue. No siderails are necessary because of the magnetic bed, so objects wider than the conveyor can be moved without spillage. Magnets are permanent, non-electric type. Unit utilizes sealed, self-aligning ball bearings requiring no lubrication.

Price: \$475 for 4-foot conveyor with 10-in. belt. Delivery: 3 weeks.

Bosworth Manufacturing Co., Mills Rd., Avon, Ohio (1/13/58)



Protective Clothing

Is Lightweight, Flexible

Polyvinyl chloride impregnated clothing combines lightweight and unusual flexibility with excellent chemical and abrasion resistance. North PVC clothing and aprons resist chemicals and solvents of virtually every type. These include acids, alkalis, fats, greases, oils, alcohols, petroleum products, and waxes. Seams are sewn with chemically-resistant synthetic thread, then shielded and welded. Welding seals seams so that they cannot be penetrated by liquids.

Price: \$13.45 (NC-344 heavy-duty 3/4-length coat shown). Delivery: 2 weeks.

Jomac, Inc., 6128 N. Woodstock St., Philadelphia 38, Pa. (1/13/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.

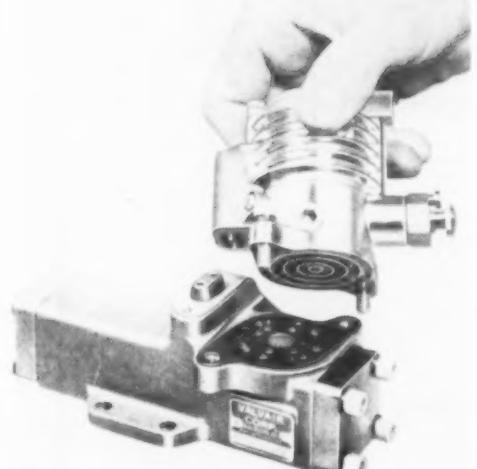
Control Valve

Has Built-In Plug Connectors

Speed King plug-in type 1/4-in. 4-way control valves have built-in connectors for fast, automatic connection of electrical circuits. Plugs and connectors incorporated in solenoid pilot, valve body and manifold or sub-base, complete all electrical circuits automatically when the unit is placed in position. Control valves are designed for control of smaller devices, and are available in single and double solenoid types, for manifold or sub-base mounting.

Price: \$53 (single solenoid); \$73 (double solenoid). Delivery: immediate.

Valvair Corp., 454 Morgan Ave., Akron, Ohio (1/13/58)



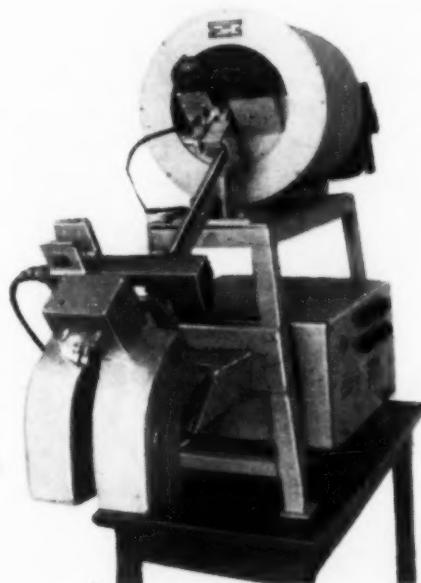
Versatile Packager

Handles Many Products

Electronic Hoppermatic can package a variety of products from nuts and bolts to candies and plastic parts. It can change over from one size or shape product to another in 5 to 10 min. Any count from 1 to 1,000 can be obtained by setting dials on an electronic counter. 100% accuracy of count is guaranteed. Hoppermatic has a rotary drum with cast-in pockets which collect a quantity of parts, carrying them to the orienting chute.

Price: 20-in. barrel \$3,350. fob., Long Island City

U. S. Engineering Co., Dept. PW, 40-24 22nd. St., L.I.C., N.Y. (1/13/58)



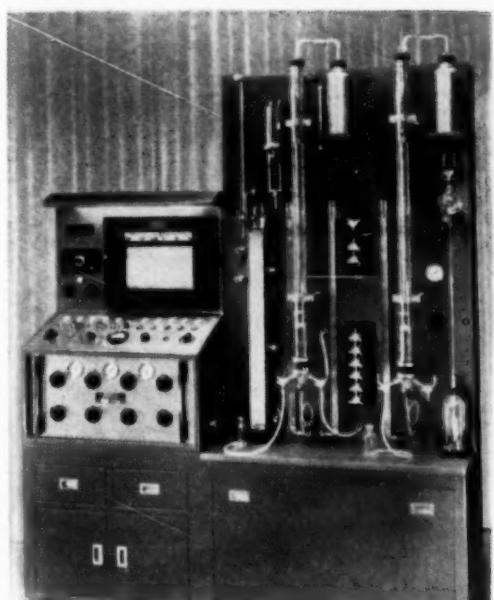
Hydrocarbon Analyzer

Automatically Records Analysis

Thermocon, Series 8700, intended for natural gas and allied industries, provides safe, automatic distillate-rate control. Analyzer differentiates between ethylene and ethane, propylene and propane, etc. Thermal-conductivity recording eliminates cut-point uncertainty, improves accuracy on small samples. The device requires little attention from the analyst. Samples as small as 100 cc. can be analyzed, with 1 liter or smaller receivers.

Price: From \$8,000. Delivery: about 6 weeks.

Podbielniak, Inc., 341 East Ohio St., Chicago 11, Ill. (1/13/58)



Heavy-Duty Cutout

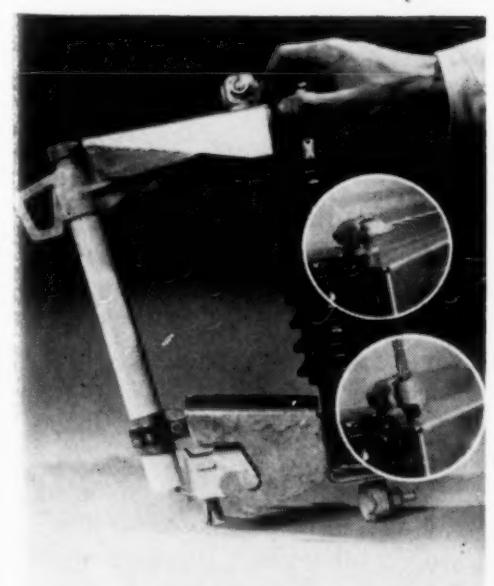
Features Eyebolt Terminal

Type DX extra heavy-duty loadbreak cutout is cast of high-strength copper alloy with eyebolt terminal tin plated to allow the use of aluminum or copper conductors. It accommodates wire sizes from number 6 solid copper to number 1/0 stranded ACSR. Eyebolt can withstand 350 in.-lb. on nut with an elongation of 0.0156 in. Tensile strength of eyebolt and current-carrying member is 85,000 psi. and 33,000 psi., respectively.

Price: 5.2kv., about \$25; 78kv., about \$27; 15kv., \$32. Delivery: immediate.

Westinghouse Electric Corp., Pittsburgh 30, Pa. (1/13/58)

(Continued on page 30)



This Week's

Product Perspective

JAN. 13-19

The trend toward lower-priced electronic computers will pick up speed this year. For one thing, more computers will be offered, and the lower prices should bring many small businessmen into the market.

Despite the lower price tag—anything under \$100,000—the small computers can do most of the work of their larger brethren.

Thus the chances are likely to be good that your company will look into the possibilities of an electronic computer.

• • •

Here's a quick rundown on what the industry is offering:

Underwood Corp.'s Business Computer 100 handles such problems as payroll, labor and cost distribution, sales audit and analysis.

The company sets up a problem-solving program for each problem. Thus no special training is needed by the operator. Price: \$25,000 to \$30,000.

International Business Machines Corp.'s 610 is about as big as a spinet piano. It sells for \$55,000 or rents for \$1,150 a month. The 610 will solve engineering problems as well as business problems. IBM's design permits changing input data while the machine is running. Most other computers have to be stopped, says IBM.

Burroughs Corp.'s ElectroData Division offers a small-sized computer, **E101**, for business and engineering applications. Some 200 have already been installed. Price is about \$38,000, rental is \$1,000 a month.

Royal McBee Corp.'s LGP-30 is doing most of its work in engineering, but the company is researching new applications in business problems. LGP-30 sells for \$49,500.

Clary Corp.'s ECS is the newest of the desk-sized computers to hit the market. It can be programmed either by Clary or, with some training, by the customer's office manager. A keyboard allows manual operation. ECS will handle business, engineering, and scientific problems. Price is \$15,000.

Other companies have marketed small-sized computers: Logistics Research, Inc. (Alwac), Bendix Computer Division (G15A), Hogan Laboratories (Circle), J. B. Rea Co. (Readex), Monroe Calculating Machine Co. (Monrobot IX, PW, Jan. 6, p 27). Prices range from about \$80,000 down to \$10,000.

Remington Rand has no small-sized computer at this point. But it is reported readying one for market. National Cash Register Co., too, is studying small and medium-sized computers, may soon market a more than \$100,000 medium-sized computer.

• • •

Market prospects look good to computer manufacturers for the next few years. Meanwhile they are studying ways to build your needs into the new computers.

You will see more small or medium-sized computers with "random-access" memories—the kind of memory that lets you pull a particular fact out without searching the entire memory for it.

Transistorized computers are under development. Transistors use less power, give off little heat. Less power means lower operating costs, and the low heat output cuts the load on office air conditioning systems. Philco Corp. is now building a large fully transistorized computer. **In the big computers customers are asking the manufacturers for still more speed.**

Programming a computer—working out the instructions a computer needs to solve a problem—has long been a bottleneck. Making up a program is largely a hand operation taking much time and manpower. **But Remington Rand is using automatic programming on its big UNIVAC's.** Its a system in which the computer writes its own instructions. Besides the obvious time and money advantage, automatic programming lets you use programmers that have far less training.

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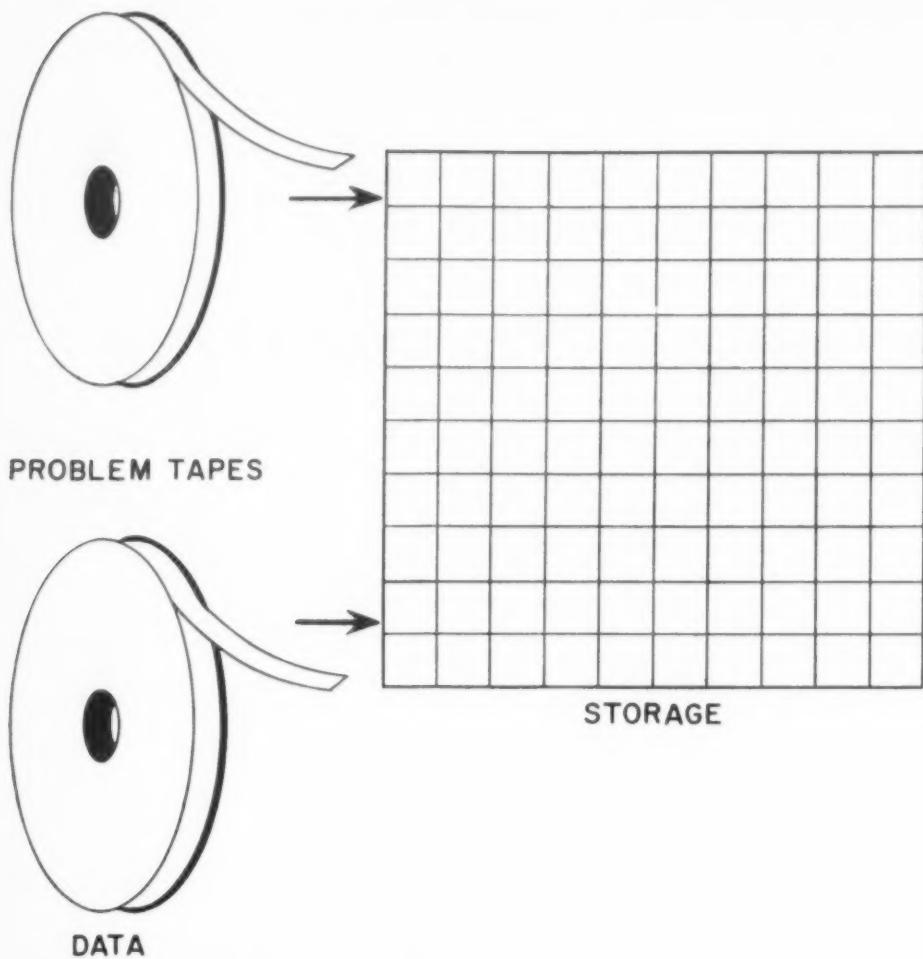
While computers sail gaily along, the bread and butter of the office-machine industry is not so robust.

A buyer's market exists in typewriters and accounting machines.

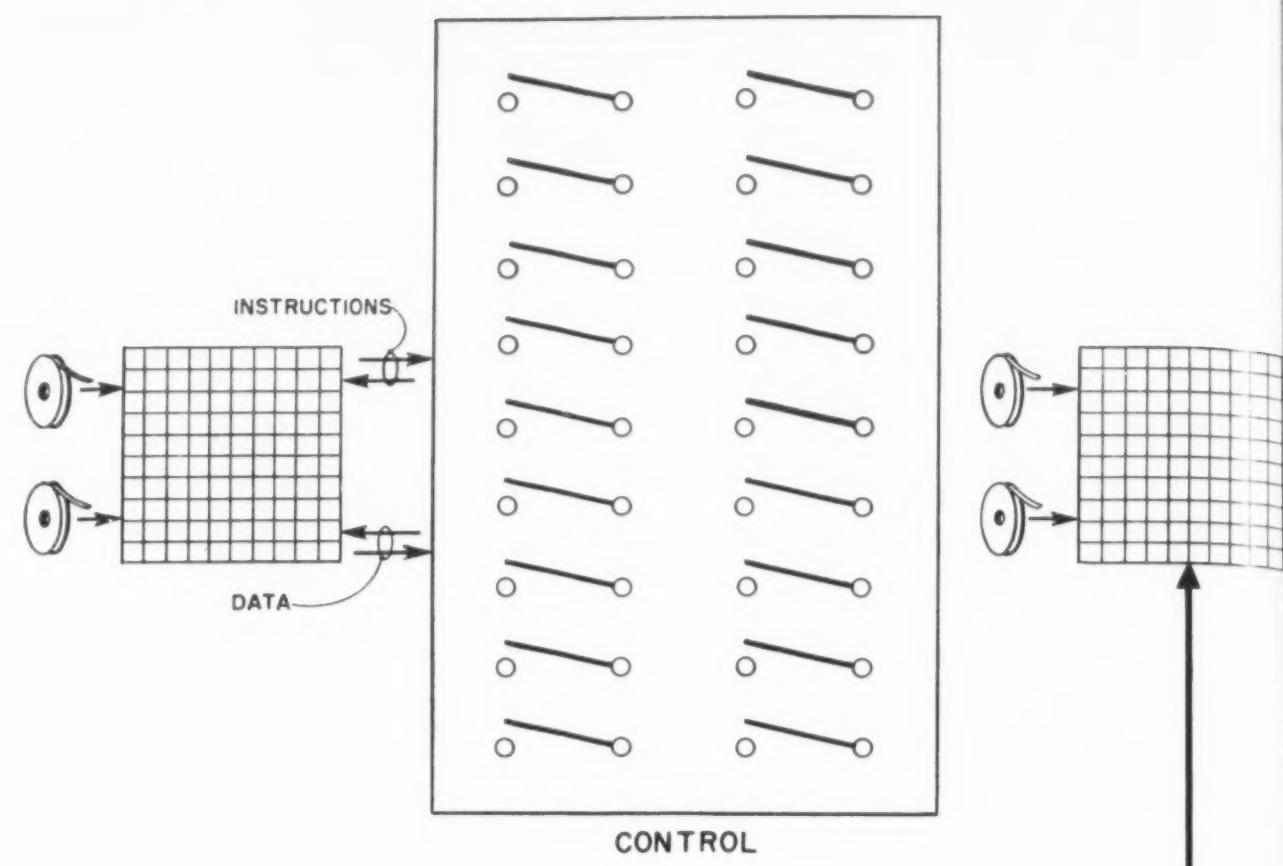
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On the next two pages PURCHASING WEEK shows you, stripped of its mystery, what a computer is and what it can and cannot do.

INSTRUCTIONS



1. Start with several rolls of magnetic tape—some for instructions, some for data. The instructions tell the computer what operations must be performed on the data. An instruction could be "add," "subtract," "multiply." Instructions also control the sequence of operations. Performance is only as good as instructions.

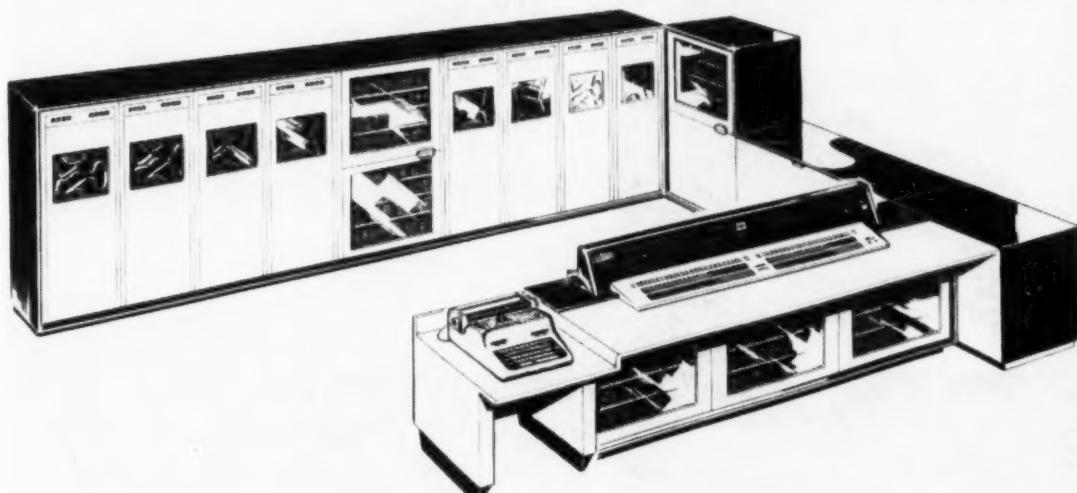
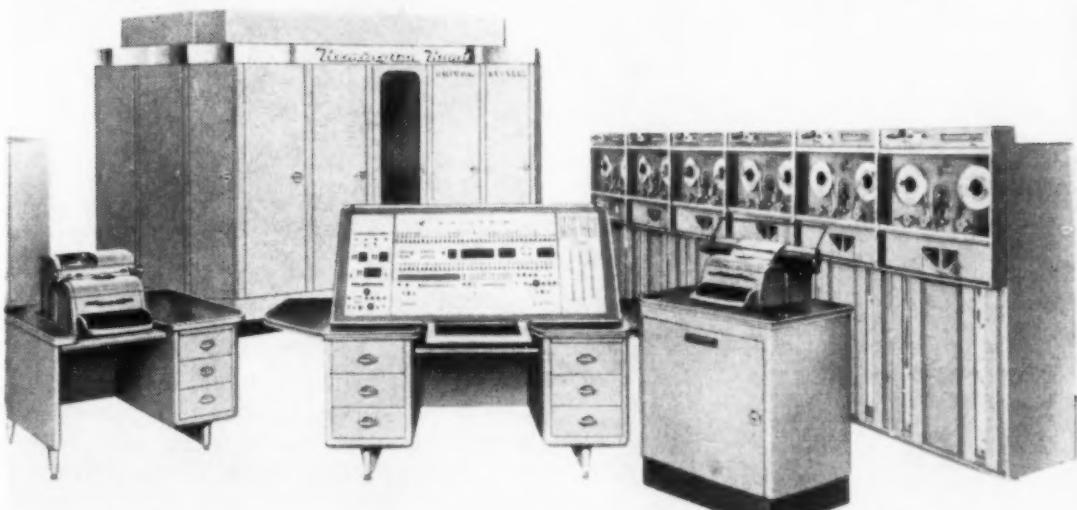


2. Data and instructions are fed into a storage—or "memory" unit. The memory is the computer's filing system. Each bit of information received by it is stored in a particular niche called an address. By referring to the address the bit can be withdrawn. The memory devices can consist of tiny magnetic "doughnuts", magnetic drums, or electronic vacuum tubes.

3. Control units makes certain everything happens at right time. It reads and interprets instructions and makes connections.

A Good Look Takes

There's nothing mysterious about an electronic computer once you take a hard look at it. The computer (above) solves a problem the way you do. You use your brain, a pad and pencil, an adding machine, and some raw data. Your brain decides what operations must be performed on the data to produce a solution. The adding machine performs the operations. From time to time you note on the pad some calculations to be used later on. In a computer, control is your brain; memory unit the pad; arithmetic unit the adding machine; and raw data is assembled on magnetic tapes. The computer's answer is on magnetic tape. Your answer comes out on the adding machine's paper tape.



From large to small there are computers for almost every need. Price

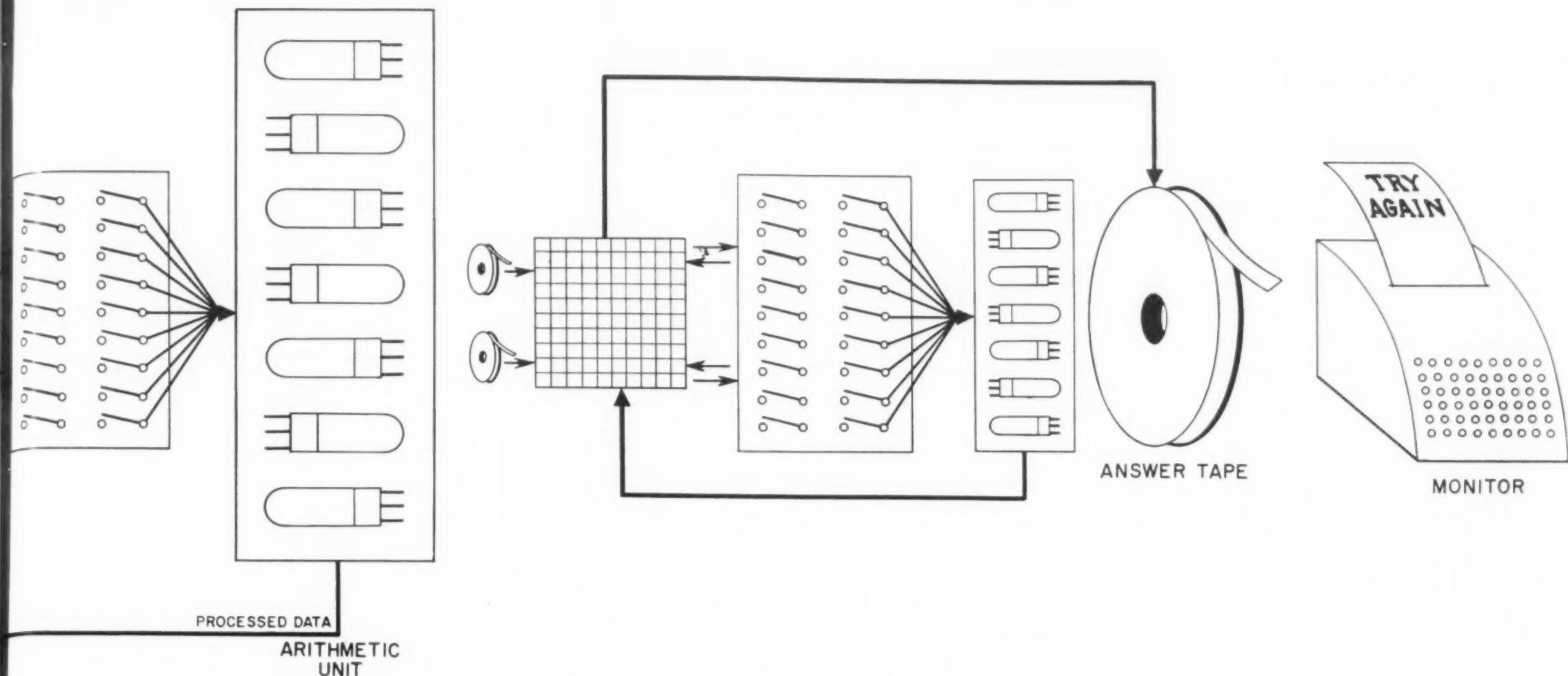
Where You Use Them →

More and more management conferences these days are devoted to electronic computers. The fact that they can turn out reams of business data in practically no time at all has been pretty much sold.

Some companies have jumped on the computer bandwagon because their competitors have done so. Others bought

computers because it seemed fashionable to do so. Wrong thinking like this has led to some costly piles of useless data.

The best way to tell if your company can profitably use a computer is through a feasibility study. Such a study looks into the kind of problem you have; cost savings, if any, to be expected; the amount of education all levels of your company



es calls throughout system; e.g., control selects path for upper operation "add these numbers." Control calls data from storage, examines step results, selects next step, and repeats data. When one bundle of facts has been processed, control usually orders processing next bundle.

4. The arithmetic unit adds, subtracts, multiplies, divides and compares. It is made up mostly of electronic vacuum tubes which perform their chores by going either "on" or "off" on command from the control unit. In short, the language of the computer consists of the words "yes" and "no"—or mathematically "0" and "1". Combinations of 0 and 1 represent numbers and even English words and complete sentences.

5. If the information you feed in contradicts itself, the computer will say so. One sassy computer warns, "Quit fooling, try again."

Mystery out of Computers



range: over \$1-million to \$30,000. If you don't have a computer, there are service centers (last picture).

will need. If the analysis looks favorable, then you pick the type of equipment you require.

There's one consolation. If the study reveals that you don't need a computer, you've had a chance to examine your company's data processing system and perhaps improve it.

The range of things a computer can

do is almost as broad as industry itself. Here are two areas where computers have made major contributions: **1.** planning and procurement, **2.** production and distribution.

In planning and procurement, computers juggle the relationships between material control, purchasing, accounts payable, inventory control, engineering

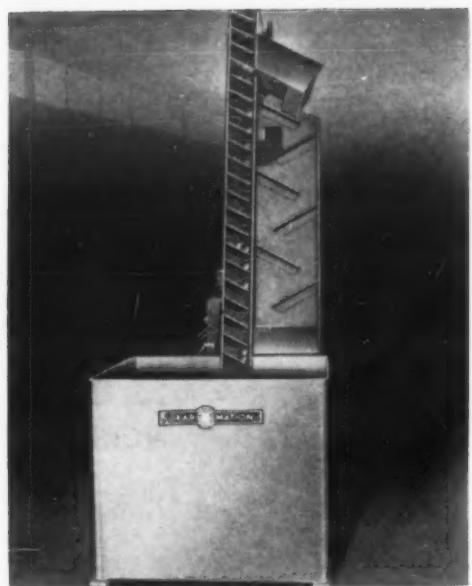
specifications. In production and distribution, computers handle production scheduling and control, payroll, inventory control, and accounting.

Some public utilities process accounts receivable, meter record, and test information while maintaining a current file of operating and historical data for each customer. In manufacturing there's

a trend toward integrating order billing, inventory control, and accounting with warehousing functions, including mechanizing of order picking and stock replacement. It's a natural for computers.

One thing to remember when you look over possible applications is the quality of your data. The computer is only as good as the information put into it.

Your Weekly Guide to New Products— (Continued on page 27)



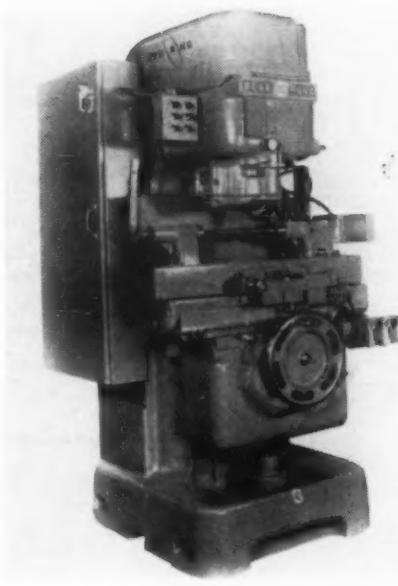
High-Lift Parts Feeder

For Assembly Line

Unit, for use with automated production lines, face-orient parts and feeds them into distribution systems at a rate of 3,600 parts per hour. These units are custom-tailored to specific installation, but assembled from standard components. They are adaptable to any parts-feeding job. Hopper is constructed to be self emptying. Properly positioned parts roll through—improperly positioned parts are returned.

Price: \$3,800 to \$5,600. Delivery: 6 to 8 weeks.

Gear-O-Mation Division, Michigan Tool Co., 7173 E. McNichols Rd., Detroit 12, Mich. (1/13/58)

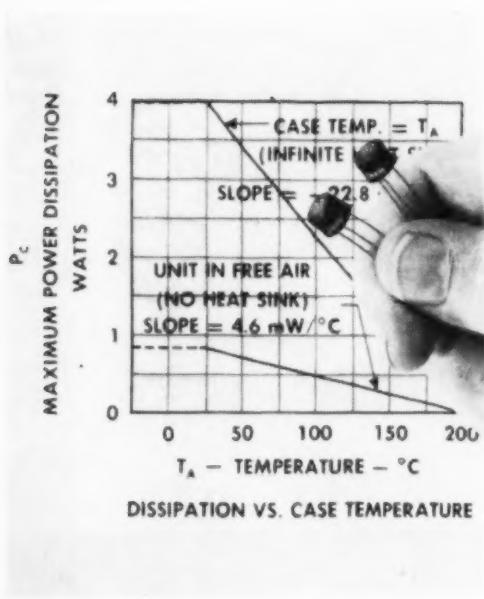


Gear Honing Machine

Provides Two Honing Methods

The Red Ring Model GHB Gear Tooth Honing machine provides both constant-pressure and zero-backlash methods for honing hardened gear teeth. Machine has the headstock and air-powered tailstock mounted on a patented tilting table that is attached to the reciprocating worktable through a hinged mechanism at the rear. A constant-pressure arrangement is provided by the tilting table for removing nicks and burrs. Machine, made in two sizes, can be equipped for manual, semi-automatic or fully automatic loading.

Price: \$17,000. Delivery: 12 weeks.
National Broach & Machine Co., 5600 St. Jean, Detroit 13, Mich. (1/13/58)



Silicon Transistors

4-Watt Diffused-Base

Two medium power transistors are rated at 4w, dissipation at 25°C. They are identical except for voltage ratings—2N497 is rated at 60v., 2N498 at 100v. Both feature a typical saturation resistance of 20 ohms at 25°C. plus an operating range of minus 65°C. to plus 200°C. They are adapted to high temperature switching applications because of the high peak currents resulting from the 1w. 150°C. dissipation and 20-ohm saturation ratings.

Single unit price: \$29.70 (2N497) and \$37.65 (2N498). Delivery: 3 wks.

Texas Instruments, Inc., P. O. Box 312, Dallas, Texas. (1/13/58)



Packaging Machine

Handles Small Parts

PAX-MOR is a complete packaging machine that automatically prints, seals, cuts off, and counts packages up to 8x8 in. in a continuous, uninterrupted flow. Small mechanical parts may be individually packed or in multiples at speeds up to 6,000 bags an hour. Practically all coated or laminated heat sealable packaging materials may be used. Bags are non-wrinkle, waterproof, and moisture-proof if required.

Price: From \$4,800 and \$7,600. Delivery: about 60 days.

Product Packaging Engineering, 5747 Marilyn Ave., Culver City, Calif. (1/13/58)

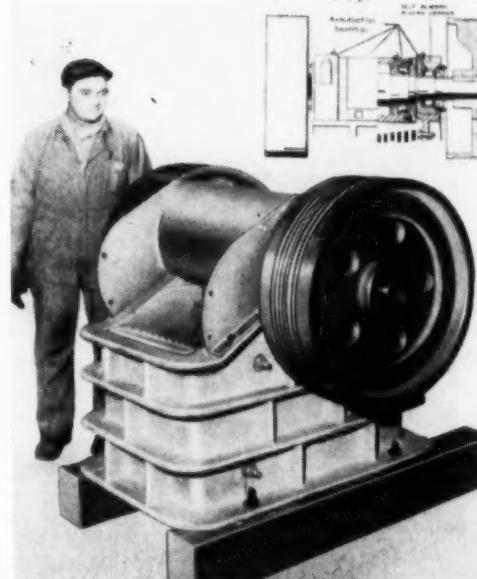


Bagging Scale

Has Caster Mounting

Model E-50 high-speed bagging scale, mounted on a heavy-duty frame set on casters, lets unit move easily to serve many bins on one floor. Scale features eye-level counter for tallying the number of bags filled. Fitted with a quickly detachable and changeable bag spout to accommodate 25-, 50-, or 100-lb bags, the scale weighs and fills openmouth paper or textile bags with fertilizer, feeds, grain, rock products, chemicals, food products, and a variety of similar materials.

Price: \$2,200. Delivery: 1 to 4 weeks.
Richardson Scale Co., Clifton, N. J. (1/13/58)



Jaw Crusher for Rock

Has Anti-Friction Bearings

Type "H" jaw crusher varies in size from 5x6 in. to 10x20 in. with approximate weights of 950 lb. to 7,400 lb. Anti-friction bearings are used throughout. Pressure grease lubrication and labyrinth dust seals are used. The jaw and cheek plates are manganese steel while the jaw plates are reversible for longer wear. Side bearings, set in ball-and-socket type mountings, permit self-alignment.

Prices: \$740 to \$4,100. (Extra for motor or V-belt drive). Delivery: immediate.

Denver Equipment Company, P. O. Box 5268, Denver 17, Colo. (1/13/58)

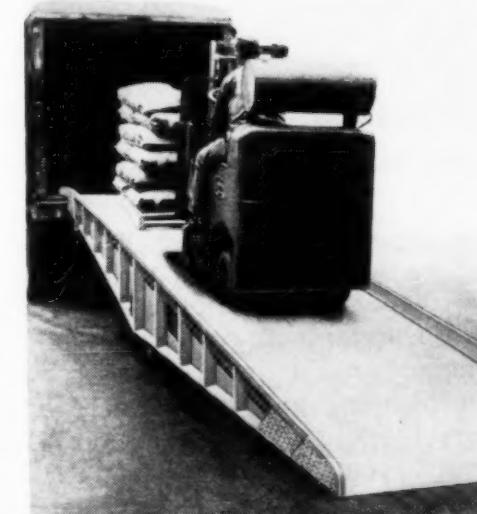


Radial-Arm Cutting Machine

For Non-Ferrous Metal

Imperial is designed for cutting non-ferrous metal and heavy wood. Built-in power features, offered as standard equipment, reduce operator fatigue. Double-acting control handle simultaneously unlocks the arm while disengaging the locating pin for changes from cut-off to miter positions. Built-in dc motor elevates column and arm. Dynamic power brake stops blade in minimum time. Models have 5-, 7 1/2- and 10-hp. motors. Full-load motor speed is 3,425 rpm. Machine takes either 16- or 20-in. blade.

Price: \$1,155 (HD 690M) to \$1,680 (HD 804L). Delivery: Immediate.
DeWalt Inc., Lancaster, Pa. (1/13/58)



Mobile Loading Ramp

Adjusts to Truck Height

Mobile loading ramp provides height adjustability ranging from 43 in. to 61 in. for the 36-ft. models and 38 in. to 61 in. for the 30-ft. models. Side curbs rise 4 1/2 in. for protection against truck run-offs. They are painted a bright yellow for visibility and safety. Two widths, 58 in. and 70 in. are available. Capacities range from 7,000 to 16,000 lb. in 16 standard models. Spring-actuated safety chains provide secure attachment during loading operations.

Prices: \$2,300 to \$4,100 depending on size, capacity. Delivery: 2 to 3 weeks.
Magline Inc., Pinconning, Mich. (1/13/58)



Load Racks

Store Small Parts

The Load Lugger Rack (Model R-156) enables parts to be stored loose yet accessible. The racks are made of tubular steel and are nickel plated. They have adjustable feet to allow for unevenness of flooring. Bins are drawn seamless from aluminum. These bins slide into a series of runners and are suspended by their rims. Entire bins may be slid out and exchanged for others. The Load Lugger Racks are available in a variety of sizes.

Price: \$43. (R-156) Delivery from stock.

McClintock Manufacturing Co., Industrial Sales Dept., 802 West Whittier Blvd., Whittier, Calif. (1/13/58)



Heavy-Duty Band Saw

Offers Variable Blade Speeds

Milband is a high-speed band saw-type cut off machine. A wide range of variable blade speeds from 40 to 360 fpm. is provided. As a result the machine can be set to the best speed for cutting practically any metal. The band saw blade is cleaned by a high-pressure coolant stream as blade leaves cut. Stock vise is hydraulically operated for clamping work. Blade feed is hydraulic and automatically maintains the value set by operator.

Price: \$7,500. Approximate delivery October 1958.

Henry G. Thompson & Son Co., New Haven, Conn. (1/13/58)



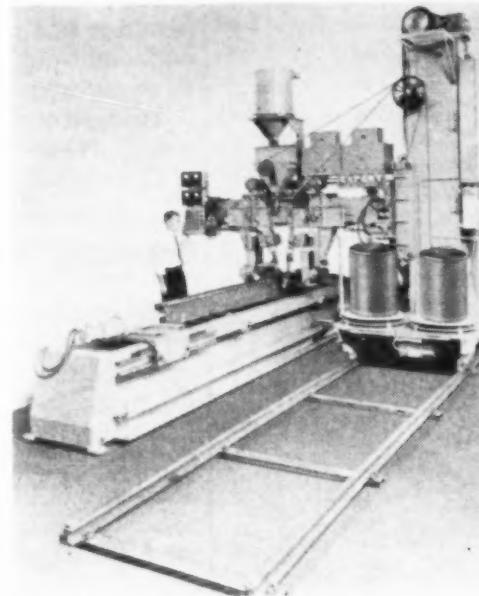
Portable Folding Machine

Produces Accordion Folds

Rollafold produces neat accordion folds in a long strip or roll of paper such as the chart from an oscilloscope. In folding, unrolling and re-rolling are eliminated, and any part of the record is readily available for examination. Rollafold handles one fold per second, five to ten times faster than by hand. The machine is 18 x 20 in. and weighs approximately 40 lb. Feed roller is surfaced with neoprene ground to size and may be readily removed for cleaning.

Price: \$1,250 fob. Los Angeles. Delivery in 60 days.

Benson-Lehner Corp., 11930 Olympic Blvd., Los Angeles 64, Calif. (1/13/58)



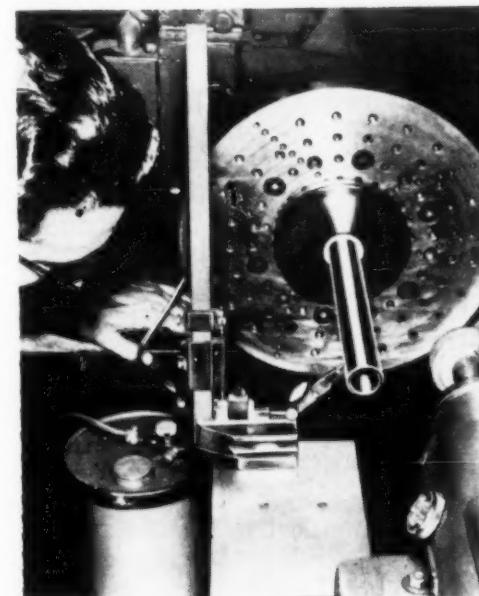
Twin-Arc Welding Machine

For Extra Large Parts

High-production automatic submerged twin-arc welding machine performs controlled welding operations on both sides of large production parts. Picture shows machine making four reinforcement welding operations along the edges of both sides of hollow rectangular bulldozer push beams. It will weld at a rate of 80 in. per minute. Air-operated fixtures, located on each end of machine's bed, center and clamp part in position for welding.

Price: \$42,500 plus \$10,000 for welding equipment. Delivery 12 weeks.

Expert Welding Machine Co., 17144 Mt. Elliott Ave., Detroit 12, Mich. (1/13/58)



Inspection Tool

Checks Squareness, Concentricity

Cylinder Square speeds up various checking operations in tool rooms, receiving and inspection departments, and machine set-up. It can check squareness, concentricity, run-out, etc., of parts, shafts, spindles, bores. Magnets, embedded in face of the square, hold it to surface of part being checked. Clamps are not required. Tool face is square with cylinder within 50-millionths in.

Price including case: \$58 for 3 1/2-in. diam. base 6-in. long; \$131 for 7 1/2-in. diam. base 14-in. long, fob Detroit. Immediate delivery.

AA Gage Co., 350 Fair St., Detroit 20, Mich. (1/13/58)



Testing Machine

Has 10,000-Lb. Capacity

Mark G Servomatic tester provides a motionless center of test by making two crossheads pull against each other or compress toward each other. Center of test is constantly situated 56 1/2 in. above the floor for easy observation. It allows auxiliary test equipment, such as ovens, to remain in a fixed position for the duration of any given test. Unit has force measuring system incorporated in the crosshead. Two screws drive crossheads.

Price: About \$25,000 with accessories. Delivery in 8 months.

Electronics and Instrumentation Division, Baldwin-Lima-Hamilton Corp., Waltham, Mass. (1/13/58)



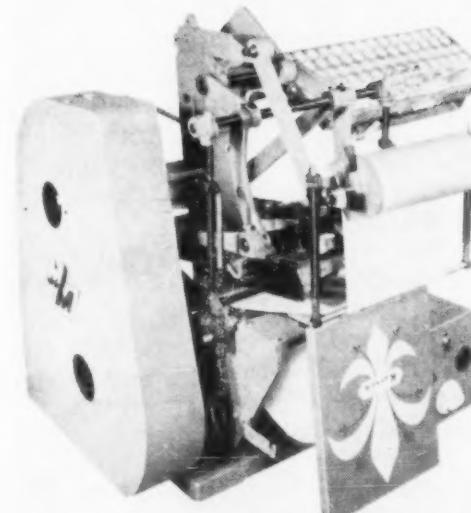
Dc. Voltage Standard

Mounts in 19-In. Racks

Model 301R has direct reading calibrated dials which provide instant voltage selection with standard cell accuracy. Power supply output voltage is 1 to 501v. It has four decade null meter ranges from 50v. to 50mv. full scale. Meter can also read input or output voltage of the supply. Model 301R features 0.01% stability, 0.02% accuracy, 0.002% line and load regulation, less than 100 microvolts ripple, 0.2 millisecond response time, and less than 0.01 ohm output impedance.

Price: \$625 fob. San Diego. Delivery within 2 weeks.

KIN TEL, 5725 Kearny Villa Road, San Diego, Calif. (1/13/58)



Leaf Printer

Embosses Boxes and Bags

Model 45G Leaf Printer machine uses heated printing elements to imprint trade names and product information. It is especially suitable for making light imprints on a dark background. One operation alone will mark each box. Production rate is 45 imprints per minute. Color changes can be made rapidly. Multiple color prints are possible in one operation. Maximum imprint area is 5 7/8 in. wide and 2 5/16 in. high. Pre-heater keeps the type warm for ready use.

Price: \$973; with ink-marking equipment, \$1,061. Delivery in 15 days.

Markem Machine Co., Keene 81, N. H. (1/13/58)

More New Products



Mine Truck

One man can load, drive, and dump the 2½-ton Getman KD-2 truck designed for ore carrying. Powered by a 2-cylinder 20-hp. air-cooled Deutz engine, unit has four speeds forward and four reverse with a 96-in. turning radius. Price is \$3,450 fob. factory, South Haven, Mich. Delivery—7 to 10 days—**Getman Brothers, Mfg. Div., South Haven, Mich.** (1/13/58)

Freight-Rate Calculator

Two items—a digest-size booklet which gives mileage equivalent between Chicago area and more than 30,000 points east of the Rockies, and a vest-pocket slide-rule which gives the exact rates in 14 different freight classifications, make up freight-rate calculator. Slide-rule also shows minimum charge per shipment, the surcharge, and minimum truckload charge. Booklet is \$7.50; slide-rules \$1 per state. Immediate delivery—**Speed-O-Rate Co., 914 Marquette Ave., Minneapolis, Minn.** (1/13/58)

Printing Calculator

Automatic printing calculator multiplies, divides, adds, and subtracts through one control and only ten numerical keys. Control lever is moved to desired function, figures are entered, and total is printed on tape for permanent record. Price is \$635. Delivery 15 to 30 days—**Victor Adding Machine Co., 3900 N. Rockwell St., Chicago 18, Ill.** (1/13/58)

Turret Jaw Vises

New line of vises clamp work pieces of any shape with positive grip on at least 4 points. Available in machine and bench-type models with jaw openings from 2 to 8 in. All have rotary turret jaw. Bench models range from \$22.50 to \$88.50; machine models from \$61 to \$105. Immediate delivery—**Hudson Automatic Machine & Tool Co., 137-139 38th St., Union City, N. J.** (1/13/58)

Air Drill

Featherweight air drill, weighing 1½ lb., features exhaust noise reduction without power loss. Only 6½ in. long, the ¼-in. drill has five-blade rotor construction. Price is \$95, with immediate delivery—**Thor Power Tool Co., Prudential Plaza, Chicago 1, Ill.** (1/13/58)

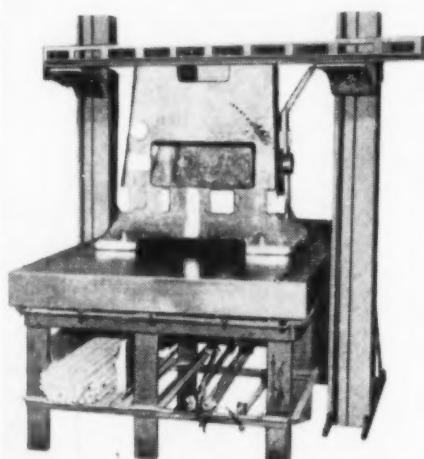
Cyclomatic Box Crusher

Welded box crusher flattens up-

right boxes for easy handling and disposition. Unit consists of two conveyors, one locked over the other, both operated in the same direction. Top conveyor belt operates at a 25 deg. angle, the lower belt horizontally. Both belts meet at an end point automatically crushing bulky boxes. Price: \$4,341. Delivery: 60 days. **Balemaster Div., East Chicago Machine Tool Corp., 4801 Railroad Ave., East Chicago, Ind.** (1/13/58)

Handling Crane

Material handling crane, model SP-107, is fully convertible to shovel, clamshell, drag, and hoe. It is a self-propelled machine mounted on a short-coupled rubber-tire carrier with a 4-wheel drive. It requires no outriggers to develop a 7-ton lifting capacity in all positions of turntable swing. The SP-107 has a 5-kw. generator and a 39-in. magnet. Price: About \$17,000. Delivery immediate: **Thew Shovel Co., Lorain, Ohio.** (1/13/58)



Tooling Bridge Units

New line of lightweight tooling bridge equipment provides the engineer with a tool for three-dimensional measurement of irregularly shaped objects. Semi-steel base unit and magnesium vertical and horizontal units can be moved to any position. Price dependent on particular requirements. Delivery 60 to 90 days after approved blueprints.—**Challenge Machinery Co., Grand Haven, Mich.** (1/13/58)

Compound Applicator

Merco brazing compound applicator consists of a pressure regulator, pressure tank to hold brazing compound, and one or more applicator guns for placing brazing compound. Product applies copper powder suspended in a vehicle. Unit is operated by pneumatic pressure. Price: \$1.75. Delivery: immediate. **Merchants Chemical Co. Inc., 3100 So. California Ave., Chicago 8, Ill.** (1/13/58)

Stop-Off Material

Nicrobraz stop-off material acts as a parting compound to prevent the brazing of not-to-be-brazed mating surfaces during furnace brazing operations. White Stop-Off is supplied in powder form. In use, it is mixed with a volatile plastic, called Nicrobraz Cement, to facilitate application. Price: \$3. per lb. De-

livery: immediate. **Stainless Processing Div., Wall Colmonoy Corp., 19345 John R. St., Detroit 3, Mich.** (1/13/58)



Adding Machine

All-electric adding machine (Add-Mate), telephone sized, can be used for payrolls, inventories, bank statements, daily totals, invoice checking, sales checks, journal and ledger balances, and many other applications. Ten-key machine has seven-column listing and eight-column total. Price is \$168.50 with immediate delivery. —**Underwood Corp., 1 Park Ave., New York 16, N. Y.** (1/13/58)

Foaming Resins

Polyester foaming resins possess characteristics for the manufacture of urethane foamed products. Selectrofoam Resin 6207 is for flexible foamed products and Selectrofoam Resins 6004 and 6005 are for rigid products. Resin is especially adapted for large-capacity production machines. Prices: 6207, \$0.47 lb. in truckloads; 6004, 5 about \$1.10 lb. Delivery: Immediate. **Pittsburgh Plate Glass Co., 632 Fort Duquesne Blvd., Pittsburgh 22, Pa.** (1/13/58)

Reducing Flanges

Reducing flanges are lined with Fluorflex-T, Teflon compound. The full face of the flange, with its asbestos backing, is an integral part of the liner providing corrosion protection and chemical inertness. Flow passage is tapered in design to minimize turbulence. Fluorflex-T reducers withstand 150-lb. pressure and full vacuum at temperatures ranging from -100F. up to +500F. Price: From \$25 to \$75. Delivery: 2 to 3 weeks. **Resistoflex Corp., Roseland, N. J.** (1/13/58)

Split-Level Mixer

The 150-gal. split-level mixer is developed for the paint, plastic, and chemical industries. It provides complete dispersion of high-density, high-viscosity chemical ingredients. Design eliminates high speed throw-out. Machine is available in 150-, 350-, 750- and 900-gal. sizes. Price: From about \$18,000 to \$45,000 depending on size of mixer. Delivery: about 3 months. **Read Standard-Div., Capital Products Corp., York, Pa.** (1/13/58)

O Seal Fittings

Vacuum-tight O seal fittings

are of brass, steel, and stainless steel material. These fittings were developed for both high- and low-pressure systems and for critical applications. Swagelok O seal connectors and adapters permit a variety of fitting combinations with the use of standard fittings. Connectors and adapters are available in sizes ranging from $\frac{1}{16}$ to 1 in. Prices: From \$1.10 to \$2.50 for connectors and \$1.20 to \$4.95 for adapters. Delivery: Immediate. **Crawford Fitting Co., 884 East 140th St., Cleveland 10, Ohio** (1/13/58)

Film-Forming Reagent

Diluted with water and sprayed over surface of coal or ore, Reagent S-3152 forms a protective crust preventing wind and rain erosion. The reagent has excellent freeze-thaw stability. Price: 28¢ a lb. fob. Bridgeville, Pa., in 450-lb. net non-returnable steel drums. Also available in 5-gal. containers at 33¢ a lb.—**American Cyanamid Co., Mining Chemicals Dept., 30 Rockefeller Plaza, New York 20, N. Y.** (1/13/58)



Toolmaker's Ink

Toolmaker's ink, in a guaranteed aerosol spray can, is designed for tool, die, and model makers, pattern makers, machinists, production layout men, and sheet metal shops. Simply hold can 12 to 14 in. from work, press spray top, and spray smooth even coating over the work. Spray cans come in 6 and 12 oz. sizes. Price: \$1.59/12-oz. can, \$16.20/12-unit case; \$0.98/6oz. can, \$10.00/12-unit case. Delivery: immediate. **Crown Industrial Products Co., 713 Amsterdam St., Woodstock, Ill.** (1/13/58)

Magnetizers

Two self-contained magnetizers have capacity to magnetize a wide range of magnetic materials. Units can be plugged into any 115-v. ac. outlet. No permanent installation is necessary. MF-200 will magnetize Alnico 2 magnets with up to 3½-sq. in. cross section. MF-300 will take magnets up to 7-sq. in. cross section. Price: MF-200, \$395; MF-300 \$595. Immediate delivery—**General Electric Co., Metallurgical Products Dept., Detroit 32, Mich.** (1/13/58)

Metallizing Machine

Metco Type K electronically controlled metallizing machine sprays any metal available in wire form. It can be used as an individual unit or as a built-in part of a complete automation



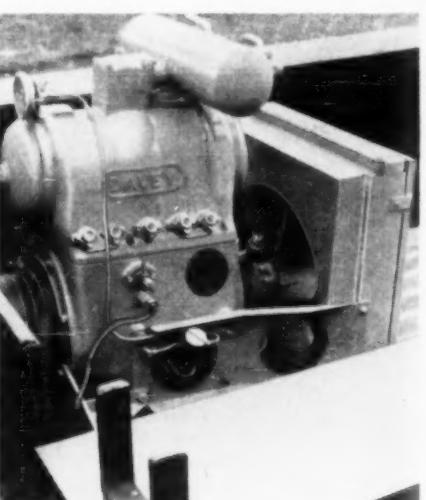
set-up for large scale production. Machine will handle all sizes of metallizing wire up to $\frac{3}{16}$ in. dia. at wire speeds from 9 in. per min. to 40 ft. per min. Price: \$1,295. (accessories additional) Delivery: immediate. **Metallizing Engineering Co., Inc., 1101 Prospect Ave., Westbury, L. I., N. Y.** (1/13/58)

Cable-Reel Truck

Electrically powered "walkie" truck handles cable reels of varying sizes. Available in capacities to 20,000 lb., truck can handle cable reel diameter from 36 to 90 in. and maximum width of 68 in. Twin hydraulic cylinders, one on each arm, are synchronized to lift simultaneously. Price, \$3,112. Delivery in 14 weeks—**Lewis-Shepard Products, Inc., 125 Walnut St., Watertown 72, Mass.** (1/13/58)

Pressure Regulator

Pressure regulator, designed for paint circulating systems, holds outlet pressure constant, without flutter, to pinpoint adjustment. Maximum pressure is 50 psi. Unit, which fits between pump outlet and spray gun, is unaffected by solvent action and abrasion. Single unit price is \$43. Immediate delivery—**Stewart-Warner Corp., 1826 Diversey Pkwy., Chicago 14, Ill.** (1/13/58)



Rotary Compressor

Auto-Air rotary compressor, Hydrovane 125RA, can be mounted directly on truck chassis or on a platform base. Compressor adapts to any type of truck body. It is 39 in. long. Price: \$2,965, plus \$250 for installation. Delivery 30 days—**Davey Compressor Co., Kent, Ohio.** (1/13/58)

Steel Pull Wrench

Steel pull wrench quickly frees stuck steels. It pulls and twists the "frozen" steel loose at the same time. The wrench is designed for use with $\frac{1}{8}$ -in. hexagonal steels. Price: \$15. Delivery: immediate. **Atlas Copco Eastern, Inc., Paterson, N. J.** (1/13/58)

Here's your weekly guide to . . .

New Literature

Industrial trucks are covered in "Handbook of Powered Industrial Trucks," in 96 pages. Handbook is divided into five sections: industrial truck applications; cost savings through industrial truck handling; planning for and selection of industrial trucks; industrial truck engineering data; and industrial trucks and the future. Available for \$5 from **Industrial Truck Association, Ninth and F Sts., Washington 5, D. C.**

Univac II Data Automation System is described in illustrated 79-page manual. Chart of the 63-code combinations, a simplified block diagram of the central computer, and a complete compendium of the conventions, symbolic notation, and instruction codes used with the system are included. **Remington Rand Univac, 315 Fourth Ave., New York 10, N. Y.**

Veriflow meter and Veritrol controller are explained in 8-page illustrated catalog—Publication 54-766-38. Positive displacement principle, construction, operation and features of both are described. **Hays Corp., Michigan City, Ind.**

Electric resistance welded mechanical tubing advantages are listed in 8-page folder. Mechanical properties and various size tolerances are included in bulletin TB-419. **Tubular Products Div., Babcock & Wilcox Co., Beaver Falls, Pa.**

"**Steel Flooring for Every Purpose**," is the 8-page bulletin, which includes tables of safe loads and other engineering data, put out by **Joseph T. Ryerson & Son, Inc., Box 8000-A, Chicago 80, Ill.**

Stainless fasteners two-color, 52-page stock list and data book is published by **Allmetal Screw Products Co., Inc., Garden City, N. Y.**

Horizontal core atmospheric coolers are discussed in 20-page catalog #557 issued by **Young Radiator Co., Racine, Wis.**

"**Alcoa and the Aviation Industry; Partners in Progress**" is the title of a 16-page publication which constitutes a report on Alcoa's recent accomplishments and is available by writing **Aluminum Co. of America, 725 Alcoa Bldg., Pittsburgh 19, Pa.**

WHERE-TO-BUY

National purchasing section for new equipment, services, and merchandise. **PUBLISHED:** Monday. **CLOSING DATE:** Monday, 14 days prior to issue date. **SPACE UNITS:** 1/6 inch. **RATES:** \$17.15 per advertising inch, per insertion. Contract rates on request. Subject to agency commission and 2% cash discount.

CARTOONS

For your Company Magazine. Compare prices! For samples, send publication name and circulation. **CARTOONS-OF-THE-MONTH, ROSLYN 4, N.Y.**

Corrosion resistant materials are described in 4-page folder. Materials include: mastics for floors, acidproof brick, line of chemically resistant mortars, impervious liners and protective coatings—**Ralph V. Rulon, Inc., 3900 N. Second St., Philadelphia 40, Pa.**

Electrical products and fastening devices are included in 38-page catalog No. 12-B. More than 400 items are illustrated and described. Cost cutting advantages and other features are outlined by the manufacturer—**Holub Industries, Inc., Sycamore, Ill.**

Materials handling case studies are outlined in a packaged presentation. Seven examples of how various manufacturers solved production, storage, and shipping problems with modern materials handling equipment are covered. **Lewis-Shepard Products, Inc., Watertown 72, Mass.**

Petroleum dispensing equipment is described in new pocket-size catalog. The 66-page booklet contains complete price lists and a convenient thumb-index for easy reference to each group of products. **Advertising Department, Bennett Pump Div., John Wood Co., Muskegon, Mich.**

Aircraft Plumbing Handbook—64-page hard-cover handbook reviews fluorocarbon flexible hose and hose assemblies. Complete technical data, including specifications and working drawings, on the corrosion resistant, chemically inert Fluoroflex-T high temperature hose assemblies are given. **Allis-Chalmers Mfg. Co., Milwaukee 1, Wis.**

Mill automation, a 12-page reprint of a technical report describing the latest digital printout techniques for automatic proportioning control, is available from **Richardson Scale Co., Van Houten Ave., Clifton, N. J.**

Photocopying, with its varied uses, is described in "Verifax Copying—Versatile Time Saver for Busy Offices," booklet by **Eastman Kodak Company, Rochester 4, N. Y.**

Ex-Cell-O Precision Grinding and Boring Spindles are described and illustrated in 8-page brochure published by **Ex-Cell-O Corp., 1200 Oakman Blvd., Detroit 32, Mich.**

"**Mechanical and Hydraulic Hand Lift**," a 16-page brochure that answers the four questions—what they are, how they operate, how to select, and how to use, is offered by **Association of Lift Truck and Portable Elevator Manufacturers, Suite 759, 1 Gateway Center, Pittsburgh, Pa.**

Products of Stainless Steel for Architects and Builders—a 44-page illustrated reference manual, tells architects and builders where and when to buy factory-made stainless steel components. Available free from the Committee of Stainless Steel Producers, American Iron and Steel Institute, 150 E. 42nd St., New York 17, N. Y.

Steel tubing applications are depicted for materials handling equipment in 12-page booklet IA-6 available from Ohio Seamless Tube Div. of **Copperweld Steel Co., Shelby, Ohio.**

Wire rope manual G-16 with complete reference guide on care and use of wire rope and slings is

available in handbook size from **Macwhye Co., 2908 14th Ave., Kenosha, Wis.**

O-Ring seals are discussed in 8-page bulletin OR-57 which may be obtained by writing **Chicago Rawhide Manfg. Co., 1301 Elston Ave., Chicago 22, Ill.**

Atomic instrument catalog A-1 which contains descriptions and specifications of scalers, amplifiers etc., is available from **Baird-Atomic, Inc., 33 University Rd., Cambridge 38, Mass.**

Silicones and how they improve products and reduce costs are discussed in 16-page catalog 1-113 obtainable from **Dow Corning Corp., Midland, Mich.**

Rod deck screens are explained in Bulletin 265 which is published by **Nordberg Manfg. Co., Milwaukee, Wis.**

Instrument and control switches, Type 210, and their advantages, are described in 8-page bulletin 6162. Available as either maintained or spring return contact types, the switches are used in conjunction with circuit breakers, transformer tap changers, motor-operated rheostats, and many other types of electrically controlled apparatus. **Allis-Chalmers Mfg. Co., Milwaukee 1, Wis.**

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"**How to Measure Your Filing Costs and Efficiency**" is the title of brochure offered as a guide for measuring filing costs and results, along with detailed plan of action to improve filing efficiency. **Remington Rand Div., 315 Fourth Ave., New York 10, N. Y.**

B5 Stretcher tools are discussed and specifications given in an 8-page booklet published by **Acme Steel Co., 135th St. and Perry Ave., Chicago 27, Ill.**

Montgomery Ward Cuts Prices in '58 Catalog

Chicago—Montgomery Ward's new mid-winter sales catalog shows a considerable number of price reductions. The new 268-page book carries average cuts of 15% with some ranging as high as 40%.

Montgomery, in releasing the catalogue, noted that some of its prices were at an 8-year low. In this category were included such items as toasters, automatic percolators, sheets, towels, bedspreads, bedroom furniture, house paint, and power tools.

Other items have been slashed to the lowest point in 16 years. Products in this group include dinnerware, flannel shirts, and corduroy trousers.

range from \$3.05 to \$3.60 per bbl.

Cris Dobbins, firm president, said the increase does not cover the 35¢ per bbl increase in costs resulting from the rise in fuel oil prices since the closing of the Suez Canal last year.

Alcoa Offering Alloy With Better Conductivity

Pittsburgh—Aluminum Co. of America has announced the commercial availability, for many applications, of aluminum alloy bus bars with guaranteed minimum electrical conductivity of 60% I.A.C.S., at no increase in price.

Called No. 2 EC-T64, the new temper has tensile strength of 15,000 psi. with a yield strength of 8,000 psi., and excellent bending properties.

RCA to Cut Prices

New York—Radio Corp. of America has decided to cut prices 23 to 40% on three transistors used in radio and communications equipment.

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2K41	100.00
2K45	40.00
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Stockton's Wharfage Price Slash Draws Protest of Eight Calif. Ports

Oakland, Calif.—Eight California ports and terminals have urged the Federal Maritime Board to investigate "unjust and unreasonable" rate cuts by the Port of Stockton.

The protesting ports claim that this action might have a "serious effect upon the stability of rates within the entire industry on the Pacific Coast."

Stockton recently slashed wharfage charges for pipe in foreign and offshore trades, other than intercoastal, from 70 to 25¢ a ton. Service charges were also cut 50¢ a ton.

Requesting an immediate investigation by the F. M. B., the protesting ports said Stockton's action is "unjust and unreasonable" and "prejudicial to the other ports in California and to shippers of other commodities."

The agreement of the California Association of Port Authorities calls for uniform rates.

Its stated purpose is that all matters "shall be worked out in a spirit of bona fide effort to accomplish an arrangement that will give no one an advantage, taking into consideration all competitive conditions."

Akron U. P.A.'s Plan Session at Campus Hall

Akron—A purchasing conference, sponsored jointly by the Purchasing Agents Association of Akron and the University of Akron, has been set for March 1 in Colby Hall on the University campus.

Two forum discussions have been arranged for the morning session of the third annual affair. One will deal with "Reports and What to Do with Them" with Dr. W. W. Leigh, dean of the university's School of Business Administration, presiding. William Lantz, vice president of purchasing of Sun Rubber Co., will direct the forum "The Challenge of Material Management."

Dr. John Hoagland of the School of Business Administration at Michigan State University will address the luncheon at the University Club on "Push Cart Purchasing."

The afternoon session on Brain Storming in Purchasing will wind up the conference. Edward Berglind, purchasing agent for Wooster Rubber Co., Wooster, Ohio, is conference chairman.

U.S. Steel to Distribute Kaiser Aluminum Line

New York—U. S. Steel Supply, the warehousing division of United States Steel Corp., has been appointed a general line industrial distributor for Kaiser Aluminum products in the metropolitan New York City area.

The area will be served by fully equipped warehouse facilities in Newark, N. J., and Southington, Conn. U. S. Steel Supply will carry a full line of Kaiser Aluminum sheet, plate, rod, bar, and extruded shapes, and will have complete facilities for storing, handling, cutting, and delivering.

British, Americans Open West Coast Chamber

San Francisco—The British-American Chamber of Commerce and Trade Center, which opened here Jan. 1, has been organized to foster trade between the United Kingdom and the West Coast of the United States. It is being formed with the active support and encouragement not only of local representatives of British firms but also of leading San Francisco business executives. Some 300 or more firms or indi-

viduals are expected to join within a year or two of its formation.

Inquiries for British manufacturers received from American firms by U. K. commercial representatives in San Francisco and Los Angeles during 1957 have included tools, steel products, plastics machinery, electric motors, time recording equipment, industrial high-powered amplifiers, typewriters, and a wide variety of consumer goods.

Scott Paper Advising On Better Washrooms

Chester, Pa.—Scott Paper Co. announces it is offering a more efficient washroom advisory service program to assist managements of commercial, industrial, and institutional establishments to reduce maintenance costs and promote better health and employee comfort.

Available without charge, the service is expected to assist building management, architects, commercial and industrial property owners, and others contemplating a new building or improvement program.

Firestone Fire Causes No Shipping Changes

South Gate, Calif.—Despite a \$350,000 fire that destroyed a pigment shed and 200,000 used tires at the Firestone Tire & Rubber Co. plant on Dec. 26, company officials say that there will be no rescheduling of shipments.

None of the other buildings at the main plant was damaged. A company spokesman said the blaze destroyed only a relatively small portion of facilities for making bulk rubber.

Steel pipes in various sizes, coated with plastic to prevent corrosion, are nearing full scale production, reports Engineering News-Record, a McGraw-Hill publication. A pipe is first covered with an elastic adhesive undercoating applied hot. A controlled thickness of polyethylene is then extruded over this. The adhesive, it is said, does not become hard or brittle, allowing the pipe to be flexed or bent without destroying the bond. The undercoating is unaffected by extreme seasonal temperatures and never loses its ability to seal cuts or abrasions.

New Economy Mercury To Go into Production

Dearborn, Mich.—A new low-priced Mercury car is about to go into production. The new model—to be known as the Medalist—will carry a factory list of \$2,324. That's about \$98 less than the lowest current model in the Mercury line.

The price does not include delivery and distribution, federal state and local taxes, license, and optional equipment. The new car will also offer fuel economy ranging from 8 to 20% above those offered by other Mercury lines.

RCA to Use Trade-Ins To Move Color TV Sets

New York—Higher trade-in allowance—rather than lower price tags—will be used as an incentive by RCA to move its color TV sets.

New trade-in allowances for old black and white sets—to run for a limited time only—are expected to be as much as double the former allowances. They will vary according to the condition of the old black and white set and the price of the new color set.

Aim is to make cash outlay of new color models equal to that which would have been needed to buy a new black and white console model.

Philco Cuts Prices On Transistor Line

Philadelphia—Price reductions of up to 35% on some transistors have been announced by Philco Corp. The cuts apply to surface barrier, as well as to high and medium-power alloy junction transistors.

This is the third transistor price reduction adopted by Philco in the past six months. Other cuts during this period were for micro alloy, power and silicon transistors. They ranged from 35 to 60%.

Hercules Powder Opens Sales District Office

Wilmington, Del.—Establishment of the Greenville, Miss., office of Hercules Powder Co.'s Naval Stores Department as headquarters for a new sales district has been announced.

The Greenville office, located at 202 Arcade Bldg., Thomas Center, will handle the sales of all Naval Stores Department products including rosin and rosin derivatives, pine oil, and turpentine. Others are toxaphene; metadephene, a new repellent, and Delnav, a new pesticide.

Kaiser Ships Foil

Belpre, Ohio—First shipment of laminated foil materials have been made from Kaiser Aluminum & Chemical Corp.'s new foil processing plant. A full range of aluminum foil-to-paper and foil-to-paperboard laminations for converters, manufacturers of packages for food process, and industrial users will be produced. The foil to be processed will come from the company's new rolling mill at Ravenswood, W. Va.

Nickel Supply Ample for Peace

New York—Nickel for the second year in a row will be diverted to private industry. There's the possibility that the stepped up missile program could shift the metal to defense stockpiles once again. But Office of Defense Mobilization officials say no. There's enough nickel to go around—at least to meet vital needs.

Nickel producers tend to support the ODM's view. Dr. John Thompson, chairman of the board, International Nickel Co. of Canada, Ltd., for one, has said barring any unforeseen large increases in defense demands it is expected that there will be more nickel available this year than last.

INCO, and other producers, have major expansions under way—some will bear fruit next year. So long range (into 1961) the nickel supply picture will probably be one of plenty.

Producers thus could have a problem on their hands. Many consumers during the shortage days looked to substitute materials for a more reliable source. Now they will have to be cajoled back into using nickel.

There is no dearth of applications to absorb the coming boost in nickel output. Best potential, says the producers, lies in expanding present markets. These are principally stainless steels, high alloys, and nickel plate.

While the producers work at present markets, they will be researching new uses for the metal. For instance, nickelcadmium batteries, alloys for gas turbines and high-temperature service are some possibilities.

Texas Instruments, IBM To Work on Transistors

Dallas—Texas Instruments, Inc., has announced an agreement with International Business Machines Corp. under which both companies will work together in the area of transistors for data processing machines.

The agreement is expected to expedite progress in the areas of interest of both companies through the exchange of technical information pertaining to transistors. Each company will protect the confidential nature of the information exchanged between them.

The agreement provides that IBM will purchase from TI a substantial portion of its expanding commercial transistor needs. It places no restrictions on either company's present or future relations with other customers and suppliers.

Rochester Mfg. Co. Postpones Building Plans

Rochester, N. Y.—Rochester Manufacturing Co. has announced that building plans for a new factory on their site in Fairport, N. Y. are being postponed until 1959 or later.

General decline in business activity, plus current high cost of construction and financing, were given as principal reasons for the decision.

Raytheon Stops Work On TV Picture Tubes

Waltham, Mass.—Raytheon Manufacturing Co. has halted production of TV picture tubes at its Quincy, Mass. plant. A major portion of the tube plant's output went into the company's own sets which it stopped making in the summer of 1956.

Raytheon said that while the company will discontinue sales to television set manufacturers, it will continue to supply picture tubes to distributors for the replacement market. Cathode-ray tube production at Quincy will be confined to special purpose tubes for industrial and military use.

'Automation Can Offset Lower Profits'—Arden

Richmond, Va.—Rising costs and diminishing profits that swept U. S. industry in 1957, can be offset by broader application of automatic devices and instrumentation, Thomas T. Arden, president, Robertshaw-Fulton Controls Co., said last week.

He pointed out that the fastest growing industries relied the heaviest on automation systems and controls for "mass precision output at lowest costs."

In his annual message, Arden announced plans for constructing a new multi-million dollar research and development center near a major East Coast city. Several locations are under consideration, he said, and construction will begin early this year.

Engineering Services To Sell for Century E. & I.

Kansas City, Mo.—Engineering Services Co. has been appointed sales representative for Century Electronics & Instruments Inc. in Missouri, Kansas, Nebraska, Iowa, and southern Illinois. The sales firm, located at 4550 Main St., Kansas City, has branch offices in St. Louis, Cedar Rapids, and Wichita.

Century instruments include several models of recording oscilloscopes, visual monitors, galvanometers, amplifiers, and bridge control units.

Pennsalt Chemicals Corp. Will Sell Machinery

Philadelphia—Pennsalt Chemicals Corp. is now exclusive sales representative for the line of metal processing machinery made by the White-Roth Machine Corp., Lorain, Ohio.

The move brings together a chemical firm with an established line of lubricants, coatings, phosphatizing compounds, and metal cleaners and strippers, and a machine company that stresses automation in its metal processing equipment.

Yale Names Distributor

Philadelphia—Yale & Towne Manufacturing Co. has announced the appointment of Freeman Materials Handling Co. as franchise representative for sales and service of Yale industrial lift trucks in the Toledo, Ohio, area.

West German Production Up \$49 Million in 1957

Bonn—The West German gross national production in 1957 increased by 8 to 8.5% or \$49.8 million, according to preliminary estimates. The real increase, after consideration of the price increases, amounted to between 5 and 5.5%.

German Economics Ministry attributes price increases during the last year to the fact that exports exceeded imports by about \$1.9 million. The flow of money into Germany thus was confronted with a reduced offer of products and services.

West German plastics production during the first nine months of 1957 was 433,000 tons and may have reached 600,000 tons by the end of the year. This would mean a 14% increase over 1956.

West German electrical exports in 1957 amounted to \$762-million over \$619 million in 1956, according to preliminary statistics. This would be a 24% increase. Sixty-five per cent of total electrical exports went to European countries.

British Steel Output Will Fall Below 1957

London—Demand for British steel is expected to fall below the industry's 23.5-million ton capacity in 1958.

The British Iron and Steel Federation says steel consumption will be affected by government financial measures, particularly those restraining investment. The industry hopes the expected drop in home consumption can be partially met by expansion of exports.

Although not up to total available capacity, 1958 production nevertheless is expected to surpass the estimated 1957 output of 21.8-million tons.

Imperial Oil Plant To Produce Detergent

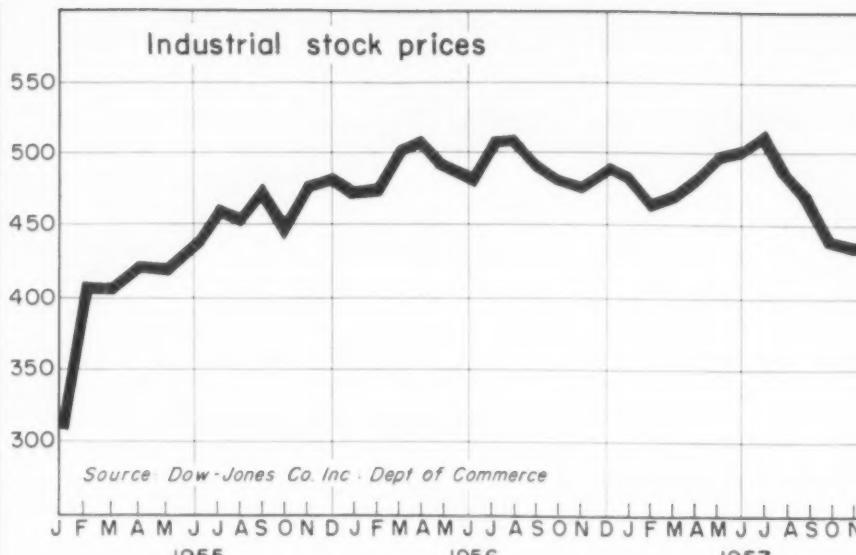
Sarnia, Ont.—Detergent alkylate is being produced in commercial quantities for the first time in Canada by Imperial Oil Ltd. The product, the active cleansing agent in synthetic detergents, will be produced in Imperial Oil's \$5-million plant at the rate of 30-million lb. a year.

Until now, soap manufacturers in Canada had imported the alkylate from the U. S.—about \$2.5 million worth a year.

A second and larger step into direct petrochemical production will come next summer when, on completion of a \$28.5 million unit, the company will start making a wide range of basic petrochemicals for Canadian industry.

Paint Drier Prices Go Up

New York—Price rises have been reported on a number of paint drier lines. Included are naphthenates, talates, and octoates. This is the first rise in these lines in more than 12 months. Prime reason for the advance is higher costs at the producers' level. Lead naphthenate, cobalt, and copper naphthenates have been increased by 2 to 4¢ per pound.



Industrial Stocks Falling More Slowly

The new year finds industrial stock averages at their lowest point since May 1955. One bright spot: The decline showed signs of leveling off in the past two months—despite heavy tax selling. But there's little sign of firm investor confidence. So market weakness is likely to persist until the business picture turns brighter.

Predict Retail Inventory Cut

New York—Retailers will likely be cutting their inventories in 1958 more than last year.

In a survey involving more than 2,000 stores, the National Retail Dry Goods Association reported 45% of the merchants said they'd carry lower inventories of soft goods this year. A year ago, 22% reported they expected to trim their soft goods inventories during the first half of 1957.

Only 3% of those interviewed this year plan to increase their stocks. A year ago, 12% planned a boost in soft goods inventories. The Association noted that hard goods would follow about the same pattern.

The survey found that 28% of the retailers polled thought profits would be lower during the first half of 1958 than they were in the last half of 1957. Only 22% expected profits to rise, and about 50% believed earnings would be about the same.

Detroit Office Opened By Hercules Synthetics

Wilmington, Del.—Hercules Powder Co. has designated Detroit as headquarters for its new Synthetics Department sales district. The Detroit office is in the Fisher Building where three other Hercules departments maintain district sales offices. The new office will be headed by E. S. Massey.

The principal territory served will include the southern peninsula of Michigan and Lucas County, Ohio.

The weather is still, and always will be, one factor that influences our economy. Millions of dollars must be spent each year to replace material destroyed by hurricanes, tornadoes, ice and sleet storms, snow, and floods. Our farm economy depends entirely on the weather. In addition extreme cold spells affect transportation and fuel consumption, and extreme hot spells affect electric utilities supplying electricity for air conditioning systems while at the same time impairing the efficiency of these power-supplying systems.

Standard Oil of N. J. Plans Capital Spending

New York—Standard Oil Co. (New Jersey) plans a capital expenditure for 1958 of approximately \$1.380 billion, reflecting management's confidence that the current cyclical economic adjustment will be of short duration. The 1958 budget is for producing, refining, marketing, tankers, pipe lines, equipment, and for finding new reserves of oil and natural gas.

About 75% of the 1958 program is for the Western Hemisphere. However, larger investments are scheduled in Europe than were last year. Subdivided fractionally, the 1958 capital program calls for 48% of the total to be spent on producing facilities, exploration, and other expense in quest of new oil and gas reserves; 27% for refining; 13% for marketing facilities; 12% for marine and pipe line transportation.

Eclipse Fuel Acquires Seico Flowmeter Rights

Rockford, Ill.—Eclipse Fuel Engineering Co. has acquired exclusive rights to patents, manufacturing, and sales of the vane-type indicating flowmeters developed by R. A. Ekstrom & Co., Markham, Ill.

Previously marketed as Seico Flowmeters, the line will now be integrated into the Eclipse organization and referred to as Seico Indicating Flowmeters.

Joy Will Build Plant

Buffalo, N. Y.—Joy Manufacturing Co. has announced plans to construct a 30,000-sq. ft. plant in Cheektowaga. Costing \$400,000, it will be used in the fields of turbo-dynamics and aerodynamics. Components for missiles may also be developed.

Massey Machine to Close

Watertown, N. Y.—Massey Machine division of the Curtiss-Wright Corp., manufacturers of engine governors, will be discontinued Jan. 31 when production operations will be consolidated with the company's Marquette Division in Cleveland.

Tiny Rectifier Has Good Future

Syracuse—A new pea-sized rectifier stands a good chance of having as great an impact on the electrical industry as its near-relative, the transistor, did some years back.

Its developer, General Electric Co., calls it a controlled rectifier. Like a transistor, it can control the flow of current. But, where a power transistor can handle only about 37 w., the new rectifier is able to take more than 2 kw.

First applications will be military—anywhere a small, high-powered rectifier is needed. But G.E. researchers think there's a much bigger market in the consumer and industrial products.

A reliable source of d.c. power means that you can vary the speed of an electric motor drive—something that's difficult to do with a.c. Thus washing machines, sewing machines, air conditioners could be made to operate more efficiently at variable speeds.

Industrial Use Seen

In industry, controlled rectifiers could operate motors on machine tools, provide d.c. for control systems, or supply regulated d.c. for electroplating systems and welding machines. Small tools, too, could have variable speeds. A hand-held drill, for instance, could cover a wider range of jobs with the same size motor.

Present rectifiers—gas thyratrons and motor-generators—are less efficient than the new controlled rectifier. They need more accessories, and are anywhere from several hundred to several thousand times as big.

G.E. does not expect to deliver its first rectifier until this spring, and commercial production won't begin until late 1958. So far, prices have not been set. The controlled rectifier, according to the company, should cost no more than twice as much as the older silicon power transistors. The latter sell for as much as \$60 for some standard models. But like other transistor products they are falling in price as production increases. The controlled rectifier should follow suit.

Superior Tube's New Plant in Full Production

Wapakoneta, Ohio—Superior Tube Co. has announced its new million-dollar plant is now completely equipped and in full production. Plant makes small-diameter, cold-drawn tubing from 0.01 to 0.5-in. diam. and cathodes for electron tubes.

The plant has more than three times as much floor space as the leased facilities previously occupied at a nearby site. It has boosted production capacity for small tubing and cathodes for East Central and Midwestern customers by 30%.

White Recalling Workers

Cleveland—The White Motor Co. plans to increase truck production at its Cleveland plant by about 20%. Workers are being called back to meet the requirements of increased schedules. The company's present order backlog is "largest since last March" according to a company spokesman.

Samson-United Will Make Electric Elements

Rochester, N. Y.—Samson-United Corp., purchased after its bankruptcy about five years ago by Roto-Broil Corp. of America after its bankruptcy, will begin manufacture of electrical elements and small appliances.

Elements plant located in leased space in Fairport, N. Y., will be headed by Leonard Morton, vice president of Supply Sales Corp., another Roto-Broil subsidiary.

Japs Plan Cotton Trade

Tokyo—A plan to barter Japanese cotton staple for Russian lumber is being considered. Under the plan, cotton prices would be cut to below-cost levels in order to obtain Russian orders and relieve the pressure of huge surplus cotton staple stocks.

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Gray Rejects Wool Import Cut

Washington—Domestic wool fabrics producers' pleas for further quota limitations on imports have been rejected. Defense Mobilizer Gordon Gray ruled last week that woolen fabric imports, currently running 7% of domestic wool textile production, pose no threat to national security.

The domestic industry, which also is fighting for White House continuation of the current 14 million-lb. per year tariff quota on woolen imports, asked ODM a year ago for straight quota restrictions on foreign imports. Producers said imports threatened domestic ability to turn out textiles needed by the U. S. military in the Defense Procurement Program.

In ruling against the domestic producers' request, Gray said: "An interim Department of Defense estimate shows that military mobilization needs, as compiled currently, have dropped to levels less than half of those formerly indicated to be necessary in an emergency."

At recent hearings before the State Department's Committee for Reciprocity Information under the Trade Agreements Law, U. S. and British wool textile makers argued, respectively, for and against continuation of the present temporary tariff quotas—an increase of ad valorem duties from 25 to 45% on all imports above 14 million lb. annually in addition to regular tariff rates varying from 30 to 37½¢ per lb.

The Administration is expected to continue as much tariff protection for the domestic industry as it feels necessary, particularly in the face of strong protectionist opposition from Congress over renewal of basic trade agreements legislation. However, the wool tariff quota is regarded as a temporary device which will eventually be reduced or abolished.

Copper Import Bill Proposed

Washington—The domestic copper industry has been offered a helping hand by Rep. John B. Bennett (R.-Mich.) who announced he will introduce a bill designed to sharply reduce copper imports.

The measure would have the effect of establishing a steep tariff duty on copper imports.

Rep. Bennett said last October that he was considering such legislation to soothe the troubled waters of the domestic industry.

This would be the first move in a tariff dispute expected to develop within the House Ways and Means Committee. Present law carries an import tax of 2¢ levied when copper reaches a price of 24¢ a lb—the peril point.

That is not sufficient to protect our mines, Bennett contends. In the light of present conditions, a peril point of 30¢ is necessary.

The bill also would increase the tax from 2 to 4¢ a lb.

Look at the last letter you wrote. Couldn't the same message have been written in fewer words?

Freight Rate Hikes Asked by Railroads

Washington—The selective rate increases which the nation's railroads have asked the Interstate Commerce Commission to approve hit more than 250 specific commodity items.

The rate petition under consideration by the I.C.C. also includes proposed higher cargoes for loading, unloading, switching, weighing, and other transit activities.

The following list highlights some of the tentative tariff increases affecting operations of industrial purchasing agents.

The new rate increases, by and large, are sought on shipments that have a minimum of competition from other forms of transportation. In geographical areas where competition is high, even some of the proposed increases are exempted.

For example, bulk grains such as wheat, corn, oats, etc., have a general 3% rate increase which doesn't apply in the South or in cases where rates have been set specifically to meet truck and water competition.

Group I—Products of Agriculture

Cotton in bales, 3%, max 3¢ cwt.; soybeans, soybean oil cake and meal, 3% or less; sugar beets, 3%.

Group II—Animals and Products

Wool and mohair, leather, fish and sea animal oil 5¢ cwt.; hides, skins, and pelts, animals and products, 3%.

Group III—Products of Mines

Anthracite and bituminous coal, 10¢ or less net ton depending on location; lignite coal and briquettes, 5¢ net ton; coke, 15¢ net ton; iron ore, 10%, max. 25¢ ton, except Lake Superior ports, 5%, max. 25¢ ton, net or gross, as rated; aluminum ore and concentrates, 10%, max. 25¢ ton; copper ore and concentrates, lead ore and concentrates, zinc ore and concentrates, 5%, max. 25¢ ton; ores and concentrates, except certain water-compelled rates on rutile ore, 5%, max. 25¢ ton.

Barytes, 2¢ cwt.; clay and bentonite, 3%, max. 2¢ cwt.; industrial sand, 3%, max. 12¢ ton (no increase within and to South); gravel and sand, stone and rock: broken, ground, crushed, 3%, max. 12¢ ton (does not apply within the South); fluxing stone and raw dolomite (including cement limestone), 10¢ ton; stone, rough and finished, 2¢ cwt.

Crude petroleum, asphalt, 1¢ cwt.; salt, 3%, max. 2¢ cwt.; phosphate rock, 10¢ ton (does not apply within South); sulphur, 1¢ cwt.; products of mines, 10¢ ton except on feldspar, aplite rock, mica, and syenite.

Group IV—Products of Forests

Logs, butts, and bolts, 10%, max. 3¢ cwt. (does not apply within

South); posts, poles, wooden piling, railroad ties, 2%; fuel wood, 10%, max. 3¢ cwt.; lumber, shingles, lath, box, crate and cooperage materials; veneer, plywood, and built-up wood, 2%; rosin and turpentine, 3% when moving on commodity or column rates only; products of forests, 10% max. 3¢ cwt.

Group V—Manufactures and Miscellaneous

Fuel, road, and petroleum residual oils, lubricating oils and greases, refined petroleum products, 1¢ cwt. except on liquefied petroleum gas; gases other than petroleum, cottonseed oil, linseed oil, soybean oil, vegetable and nut oils, 1¢ cwt.; oils, 3%; oil foots, sediment, and tank bottoms, crude, natural and synthetic rubber, 1¢ cwt.; rubber goods, chemicals, 3%; sulphuric acid, 1%, max. 1¢ cwt. (does not apply within South); acids, 1%, max. 1¢ cwt.; sodium (soda) products, 2¢ cwt.; alcohol and anti-freeze preparations, blacks, 1%, max. 2¢ cwt.

Fertilizers and articles taking same rates, 1¢ cwt. or 20¢ ton (does not apply within South); insecticides and fungicides, 3%; tar, pitch, and creosote, 1¢ cwt.; cellulose articles, 5¢ cwt.; metals and alloys, pig iron, iron and steel billet, bloom, ingot, bar, rod, and slab, 3%, max. 5¢ cwt. or \$1 ton, net or gross as rated, (except Group 573 pig iron 40¢ ton, net or gross, as rated); tanks, 3%; business and office machines, 3%, max. 5¢ cwt.

Passenger automobiles, railway equipment and parts, vehicle parts, 3%; airplanes, aircraft, and parts, 5%; tires and tubes, rubber, 1%, max. 3¢ cwt. (does not apply within South); cement, artificial stone, 2¢ cwt.; brick and building tile, 1¢ cwt. (does not apply within South); refractories, 1¢ cwt.; lime, 1¢ cwt. or 20¢ ton, applicable within and between East and West only; plaster and articles taking same rates, 2%.

Non-metallic sewer pipe and drain tile, 5¢ cwt.; woodpulp, 3%, max. 3¢ cwt.; scrap paper and rags, 3%, max. 3¢ cwt. (does not apply within South); building paper and prepared roofing material, 3%, max. 2¢ cwt. (does not apply within South); insulating materials 5%, max. 5¢ cwt. (does not apply within South); building materials, woodwork and millwork, 3%, max. 3¢ cwt.; asbestos articles, 5%, max. 5¢ cwt.; buildings and houses, fabricated and portable, 3%, max. 3¢ cwt.

Electrical equipment and parts, furnaces, heaters, radiators, and parts, hardware, 3% within and between East and West; furniture and furniture parts, 5% from East and South to West, within the West, and on trans-continental traffic; tools and parts, abrasives other than crude, 3%; containers of metal, 3¢ cwt.; wooden containers, 3%, max. 3¢ cwt.; empty returned containers, 3¢ cwt.; scrap iron and scrap steel, 40¢ ton, net or gross, as rated; furnace slag, 3%, max. 12¢ ton (does not apply within South); waste materials for remelting, 3%, max. 5¢ cwt. or \$1 ton; manufacturers and miscellaneous, 2%.

Anti-Trust Division Checking On Possible Violations by U.S. Agencies

Washington—The Justice Department's anti-trust division, in an unprecedented move indicating the government itself may be violating anti-trust laws, is investigating surplus machine tool disposal policies.

Government agencies being probed include the Defense Department, General Services Administration, and the Office of Defense Mobilization.

Of special interest to the Justice Department is governmental policy permitting some contractors to use government machine tools rent free on military projects, and in some cases on non-defense work, without authority.

The study will determine whether such policies "tend to eliminate competition, create or strengthen monopoly, injure small business, or otherwise promote undue concentration of economic power." Attorney General William P. Rogers will report his findings to Congress in February—with recommendations, if necessary, on how to lessen such effects on machine tool policies.

Critics of the government policies say the lack of uniformity in tool leasing practices up to now makes it possible for one company to have a competitive

advantage over another. This particularly is true in instances where major contractors have been allowed a price offset on the end-item rather than a cash rental payment.

A recent ODM directive sets up uniform rental rates and leasing rules which, theoretically, should correct the situation. However, some officials feel the military is dragging its feet in putting them into effect.

The government has an overall ban on use of its production equipment for non-defense work but has a "special circumstance" proviso when it considers this to be in its own interest—for example, to preserve special tool lines intact and eliminate excessive

Thorneycroft Resigns

Peter Thorneycroft resigned as Chancellor of the Exchequer Jan. 6 because of opposition to Prime Minister Macmillan's financial program. In an interview with a PURCHASING WEEK correspondent, (Pilot Issue No. 2 Oct. 28, p 9) Thorneycroft urged Americans to view all British offerings. He said British suppliers should try to boost sales in the U. S. by delivering quality goods at competitive prices.

costs for transporting heavy equipment to storage sites.

Since the ban went into effect four years ago, ODM has approved 103 cases for civilian use of government tools. What the critics worry about is the number of instances where this is done without government knowledge.

Another point of investigation will be the trend of major prime contractors to set up new production facilities with government funds when the facilities are already available and idle in subcontractors' private shops.

Harder Silo Closes Plant

Cobleskill, N. Y.—Harder Silo Co. has permanently closed its woodworking plant. The reason for the shutdown was "a continuing decline in the market for wood products," according to Stewart L. Leonard, president. The plant manufactured boxes, crates, skids, pallets, and specialty rough woodwork products.

A-C Plans Lab Building

Milwaukee—A new laboratory building for engineering, development and research is planned by Allis-Chalmers Manufacturing Co. Located in the Milwaukee area, the initial building will be one-story and contain approximately 26,000 sq. ft. of floor space.

Where Can I Buy?

We have a letter from A. B. Coop, purchasing agent for Boston Titch, East Greenwich, R. I. He says he is having difficulty in locating 80 ft. of Zee bar 1 3/4 x 1 3/4 x 3/16. None of his local warehouses have this item in stock.

And mills hesitate in accepting such a small order. We've tried warehouses in the New York area, New Jersey, Trenton, and Philadelphia. Nowhere were we able to come up with Zee bars.

Can you help? Write Mr. Coop and send Where Can I Buy a carbon.

Union Spring Acquires Biggs Boiler Works Co.

Pittsburgh—Union Spring & Manufacturing Co. has acquired Biggs Boiler Works Co., Akron, Ohio, as a wholly-owned subsidiary, in a cash transaction. The purchase was part of Union's diversification program, and will mean the joining together of Union's steel foundry and the Biggs steel fabricating facilities.

Based at New Kensington, Pa., Union Spring includes spring, foundry, and pressed steel departments in its manufacturing operations. Biggs makes all types of pressure vessels and special fabricated steel and alloy plate work for the rubber, chemical, and process industries.



P. M. THOMAS

petitive with foil-paper laminations. It expects to introduce vacuum-metalized paper for sale early in 1958 at appreciably less than that of foil-paper laminations.

Detroit Names Kettle Buying Commissioner

Detroit—J. Harrison Kettle, past president of the Detroit Automobile Dealers Association, has been appointed commissioner of purchases and supplies for the city. In his new post, Kettle will handle purchases of about \$20 million a year.

He succeeds Hazen L. Funk, an appointee of the late Mayor Albert Cobo, who resigned Dec. 31. Funk held the city position for eight years, the longest term of any Detroit purchasing commissioner.

On receiving his appointment, Kettle voiced the hope of saving the city as much as possible. "It's going to be an economy deal," he said.

India's Exporting Goal: Additional Items to U.S.

Bombay—India is making the United States a target for more exports. The hope is to send the U.S. more wool, hides, skins, cottons, minerals, and drugs than in the past two years.

Indian firms also plan to export to the U.S. novelties, such as ivory work, beaded sandals, brass and horn ware, jewelry, village crafts, and a wide variety of indigenous art goods.

Official returns of Indo-U.S. trade for the last six months of the current financial year show India has a trade deficit of \$186.89 million.

Bohlen Bros. of Austria Names Pencoyd Steel

Philadelphia—Arrangements have been completed for Pencoyd Steel & Forge Corp. to act as sole representatives in the U. S. for steel forgings for Bohler Brothers & Co., Ltd., Vienna, Austria.

Of particular interest to Pencoyd is Bohler's non-magnetic ring forgings which the Austrian firm makes especially for the retaining of coils on rotors of electrical generators. The Bohler process produces rings of extreme toughness and extraordinary uniformity.

NICB to Hold Meeting

New York—Personnel administration will be the theme of the National Industrial Conference Board's 382nd meeting. Conference will be held Jan. 16-17 at the Hotel Commodore, New York City. Two key problems to be discussed are: the demand for better management, and controlling labor costs.

RCA Names Distributor

Camden, N. J.—Music Engineering Co., Tampa, Fla., has been appointed distributor for RCA sound products in the Tampa trading area, according to an announcement by M. J. Yahr, manager, distributed products, theatre and sound products department of Radio Corp. of America.

Steel Producers See Price Rise, Cite Wages

(Continued from page 1) tion of the railroads today is lower than in the depths of the depression. And to worsen that condition, wages are so much higher."

Asked when these continual freight rate hikes might abate, Hill declared,

"I wish I could say that this is the last of them. I'm honestly getting tired of them."

Last Raise in Clause

"But we are pledged to increase wages 7¢ an hour once again on Nov. 1 of this year. It will be the last raise in a three-year contract which also contains an escalator clause.

"Each cent of wages per hour equals \$25 million in railroad costs on an annual basis. These current rate increases we are requesting will barely cover immediate needs.

"Therefore," Hill said, "the nation's railroads may be forced to seek further rate increases before the year is out."

Hope for Volume

Thomas Maguire, chairman of the executive committee of the Western Traffic Association in Chicago and a spokesman for the Western Railroads, hedged in comment on "future" freight hikes.

"We have hopes," he said, "that business will pick up, thus giving the railroads a greater volume of traffic. This might help us escape the need for any further increases."

Both Hill and Maguire said they expected "strong opposition" from shippers, shipping association, and transportation councils to the selective tariff now before the I. C. C.

Expect Much From Port Areas

"We expect much from the port areas," Hill said, "stretching from Portland, Maine, to Seattle, Wash. These protests will most likely touch on loading and unloading charges."

Those were main protest points raised by the Transportation Council of the N. Y. Commerce and Industry Association which met in New York, Jan. 2.

Members of the Council

Members of the council include:

Vice presidents of traffic—J. A. Hart, National Biscuit Co.; C. P. Greeley, National Distiller & Chemical Corp.

General traffic managers—A. G. Anderson, Socony Mobil Oil Co.; G. W. Albertson, F. W. Woolworth Co.; J. W. Peterson, Air Reduction Co.; J. B. Lowe, Combustion Engineering Co.

Traffic managers—H. B. Gifford, R. T. Vanderbilt Co.; D. B. Smith, S. H. Kress & Co.; S. Tinghitella, Commerce and Industry Association; R. Vantine, Bloomingdale Brothers.

Director of traffic—G. O. Griffith, American Home Products Corp.

"Our council has not objected to previous general rate increases or other requests for more revenue in the past," said Tinghitella, secretary. "But shipper members have demanded action in this matter."

The executive committee of the National Small Shipments Conference, headed by Ted Chapman, Detroit traffic specialist,

also gathered in New York Jan. 8 to map plans for protest action.

And in Boston, the Northern Textile Association sent a statement to the I. C. C. arguing that a railroad request for an increase in rates on cotton shipped to New England was an unfair competitive practice.

Before reaching a decision on granting or denying the February rate increases, the I. C. C. will hear formal protests from shippers and any government agencies involved.

After hearing this testimony, scheduled for Jan. 29, the commission has until Feb. 1 to approve the new tariffs in full or in part, deny them altogether, or formally suspend the matter pending further investigation.

Southern Wants No Part

Shippers are not the only ones who feel that continual hiking of rates is not the answer to the railroad's financial problems.

Harry A. Debutts, firey president of Southern Railway, declared that Southern "will still not increase any freight rate where doing so would price us out of the market and reduce our net income."

"Southern would not be a party to this current request," he explained, "if it called for general or across-the-board increases, as the prior case did. We were not a party to that request."

"We went along with this one only after it was agreed to exclude a great many classes of traffic from any increase at all,"

and only after it was agreed to ask for only moderate increases on some classes of traffic where increases were felt to be justified."

Traditionally, Eastern Railroads initiate rate increases, then pull the Western and Southern roads along. But the Eastern roads are admittedly hurting more financially than those in other sections.

The Southern roads, particularly the Southern Railway, are reported to be hurting the least.

As far as the shippers are concerned, the 3% federal transportation tax will be another incentive in their fight to ward off this current hike.

As a spokesman for a major industrial conference put it:

"The present freight rates are high and with this new increase will go even higher. Add to this the 3% transportation tax and . . .

"I wonder just how high things can go?"

Purchasing Agents Plan Conference at Rutgers

New Brunswick, N. J.—A purchasing agents conference, dealing with "the changing times," will be held here Thursday, Jan. 16, at the Institute of Microbiology of Rutgers University.

Conducted in cooperation with the Purchasing Agents Association of North Jersey, this conference aims to acquaint new P. A.'s with the 1958 business situation and bring veteran buyers up to date with the shift from a seller's to a buyer's market.

Among the speakers will be George A. Renard, associate editor for purchasing economics, *Journal of Commerce*. He will discuss "Purchasing Responsibilities in These Changing Times."

William J. E. Crissy, president, Personnel Development, Inc., New York City, will discuss "Seller's Responsibilities in These Changing Times."

Francis M. Dowd, associate professor of psychology at Rutgers, also will address the conference on "Individual Differences."

Those wishing to enroll can do so by mail or at 9 A. M. on the day of the conference. The \$15 fee includes registration, tuition, materials, and luncheon.

Whirlpool Increases Prices of Appliances

Chicago—A 3-to-6% appliance price boost above 1957 has been announced by Whirlpool Corp. for its 1958 line. This reflects an overall average price boost. Prices of specific items have not been announced but are reported to vary from no increase to boosts of more than 6%.

The new Whirlpool line contains many new features. They include special meat compartments for refrigerators, ranges with built-in cooking guides for 82 main dishes, and ovens with rotisserie as well as meat baster attachments.

American Cyanamid Cuts Folic Acid Price 40%

New York—A 40% cut in the price of folic acid, a major B complex vitamin, has been announced by American Cyanamid Co. The drop in price from \$1.20 to 70¢ per gram was reportedly made as a result of increased output.

American Cyanamid Co. was the principal developer of folic acid and is now a major producer of the vitamin. This drug is usually sold in multiple vitamin preparations or in combination with vitamin B 12.

This price cut is another in the series of price reductions of numerous vitamins. Greater efficiencies in increased production has enabled firms to cut their price tags. This, in turn, has stimulated further usage in food and pharmaceutical preparations.

Canadian Firm Makes Pentaerythritol Pellets

Montreal—Technical pentaerythritol in pellet form is now available from Canadian Chemical Co., Ltd. The firm believes this to be "one of the most notable advances in Pentaerythritol production in recent years."

The new pellets are $\frac{1}{16}$ -in. in diameter and approximately $\frac{1}{4}$ -in. long. They are formed by mechanical means with no binder added. Cooking performance is identical with that of the tech in crystal form.

Advantages of the pellets are virtual elimination of dusting, easy pouring, and easy dissolving.

Canadian Chemical says there will be no extra charge for the pellets. Current prices will apply to both pellet and crystal forms.



Textile Editor Sees Expanding Markets

New York—The textile industry can look forward to expanding markets for the next decade, according to P. M. Thomas, editor of "Textile World."

Thomas, writing in the 1958 edition of McGraw-Hill's "Pulsebeat," stated that mill product sales should rise about 25% over the next ten years. The increase will be about evenly distributed between apparel, home furnishings, and industrial uses.

For the near term, mills will be watching three things closely in 1958:

- Auto production.
- Tariff and import quotas.
- Possible ditching of the "2-price cotton" system.

They could spell the difference between just a fair and a good year (For reports on other industries turn to page 15.).

Buying Fluorides Abroad Hits Snag

Rochester—The city purchasing office here has hit upon a problem that may affect purchasing officials in other cities. It developed recently in the city's water fluoridation program.

The low bid on a city contract for 1958 supplies of sodium silico-fluorides was submitted by the Scobell Chemical Co., a local firm. This company indirectly obtains the chemical from a firm in the Netherlands.

All fluoride supplies used here since water fluoridation began in 1952 have been processed by American firms.

The problem, therefore, hinges on whether foreign-processed fluorides can be used here and whether such chemicals from abroad would have the same uniform quality and purity as U. S. fluorides.

The Rochester purchasing office has held up awarding the contract pending the outcome of legal and chemical studies.

Champion Paper Co. Buys into Vaculite Corp.

Cambridge, Mass.—Half interest in N.R.C. Vaculite Corp. has been purchased by Champion Paper & Fibre Co. Vaculite is a subsidiary of National Research Corp., pioneers in the design and production of processing equipment for vacuum metalizing of paper products.

The company will undertake a major program to commercialize an aluminum-coated paper com-

Purchasing Perspective

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out to be the few hours (or days, if necessary) spent with a dollar-wise traffic expert (See page 1).

The alert P.A. is probably one who never relents in his quest for education—more knowledge about the in's and out's of the purchasing function. Basic training—review of fundamentals—keep abreast of changing times is a sound sermon preached constantly by top purchasing organization leaders.

That helps explain the popularity of courses and seminars such as the five-session review of purchasing principles and fundamentals which opened in New York this week under auspices of the N.Y. Purchasing Agents Association. Also the efforts of the Northern New Jersey Purchasing Agents to keep abreast of changing times. They are backing a Rutgers University Purchasing Conference designed to enlighten new P.A.'s on business conditions in '58 and update veteran buyers on a popular purchasing backfield maneuver, the shift from a seller's to buyer's market.

Knowledge of current business conditions and trends can mean money in the bank for a fast-moving purchasing department. You can take Chet Ogden's word for that. Ogden, Detroit Edison vice president and chairman of the N.A.P.A. Business Survey Committee, considers them an invaluable tool (See page 14).

Sometimes the question of ethics becomes entangled in efforts to nab a bargain. Efforts of steel warehousemen to move inventory in the current soft market brought out reports of sharp purchasing practices by two or three top customers in a large eastern industrial center.

Sources there claim P.A.'s for those firms occasionally have gone so far as to show a warehouse salesman part of an outdated invoice for a shipment showing a lower price than the salesman offered. The invoice may be a year or two old—when prices were lower—but the date is not shown.

In "hard sell" times like the present, when cash positions are extended, a warehouse might feel compelled to meet such a false price. This in turn creates mistrust on all sides and certainly unsettles the local price picture.

Industrial Park Concerns Open Center to Process Electronic Data

Westbury, L. I.—Neighboring firms in an industrial park have opened an electronic data processing center to use on a cooperative basis.

This significant "first" was undertaken in the Westbury Indus-

trial Park in this Long Island community. Its sponsors assert the share-the-cost venture opens a main avenue to widespread use of E.D.P. by small and medium sized companies.

The center will serve the electronic data processing requirements of 12 firms in the park area and companies in the general neighborhood.

The center represents an investment of \$320,000, including \$160,000 in Remington Rand electronic and tabulating equipment. Heart of the center is a UNIVAC 120.

Mid-Century Instrument Corp. is readying two high-precision analog computers for installation in its new \$250,000 Manhattan computer center.

Scheduled for completion in March, the Manhattan center is the first such facility specially designed to handle chemical process computations.

Ramo-Wooldridge Corp. Los Angeles and its affiliate, Thompson-Products, Inc., have formed Thompson - Ramo - Wooldridge Products, Inc., to develop industrial process control equipment.

N.Y. P.A.'s Sponsor Purchasing Sessions

New York—A five-session course on the principals and fundamentals of purchasing, sponsored by the Purchasing Agents Association of New York, opened today.

Prof. Louis J. De Rose, former chairman, department of management, School of Business, Fordham University, and president of De Rose & Associates, New York, is conducting the series.

Outline of the course includes the scope and complexity of the purchasing function, appraisal and development techniques, negotiating with vendors, and purchasing administration.

The course winds up Jan. 29 with graduation exercises and dinner.

Nitrile Rubber Resists Cracking in Ozone

Cleveland—B. F. Goodrich Chemical Co. has developed a nitrile rubber to resist ozone cracking. Compounds of Hycar 1072 nitrile rubber can be made which are unaffected by ozone during an extended test period, even when the compounds are soaked in hot oil before exposure to ozone.

Applications for Hycar 1072 include electrical insulation, especially near ozone-producing spark discharges, and fabric coatings for indoor and outdoor uses.

Pelham-Erie Plant Sold

Erie, Pa.—Pelham-Erie Electric Mfg. Corp., manufacturer of electric switches, gears, and panels, is resuming operations under new management. The plant and its assets have been purchased by Carl Guerein of Erie.

Goodrich to Open Plant

Calvert City, Ky.—Facilities for making glacial acrylic acid in large commercial quantities are nearing completion at the B. F. Goodrich Chemical Co. plant. Located on a 2 1/2-acre portion of the company's Calvert City site, the new unit is expected to go on stream in early 1958. Capacity will be several million pounds of glacial acrylic acid per year.

Laid-Off Workers Rehired

Buffalo, N. Y.—American Radiator & Standard Sanitary Corp.'s Bond Plant today recalled about half of the approximately 125 workers laid off in November. The rehiring was attributed to increased business in its heating-product line.

Robinson Tube Plans Move to Arkansas

Conway, Ark.—The tubing plant of the Robinson Tube Fabricating Co., Cleveland, Ohio, will be moved to Conway shortly. Robinson manufacturers precision metal tubing and related products.

A \$90,000 building is being constructed on a 5-acre tract donated by the Conway Chamber of Commerce.

Japan Given Order Of Ammonium Sulphate

Tokyo—India has awarded Japan an export contract for 50,000 tons of ammonium sulphate with settlement to be made in pound sterling cash payments.

The contract was granted on the basis of international bidding held recently by the Indian Government. The fertilizer will be exported between January and April at a price of \$48 fob per ton.

Kelvinator is raising wholesale tags 3 to 5% on its newly introduced 1958 refrigerators, air conditioners, and home freezer lines. Rising labor and raw material costs are blamed for the increase. No suggested list prices are given as they will be set at the various distribution points.

Nation's Airlines Note Results

In Drive to Increase Freight Total

New York—The drive by the nation's airlines to boost profit-making air freight business is beginning to show positive results.

In 1957, 541 million ton-miles of freight were carried. That's some 20% above 1956—compared with a 14% year-to-year increase registered in 1956.

The freight push by most lines is a direct result of the bleak profit picture for air carriers. Earnings in 1957 are estimated to have dropped by close to 50% below 1956. The outlook this year is not much brighter.

Because of this, the airlines are turning to freight haulage as a possible new source of increased profits. New efficiencies in transporting cargo are reported. Biggest savings have been made in moving cargo to and from planes at airports.

For business in general these efficiencies mean even faster air transportation. Moreover, air freight can yield many over-all cost advantages for certain firms and products—despite higher actual freight charges. This is

Hercules Will Make 2 Lycoming Engines

Canton, Ohio—Hercules Motors Corp. will take over the manufacture of two Lycoming air-cooled industrial engines, now being made by Lycoming Division, Avco Mfg. Corp. of Williamsport, Pa.

Hercules has acquired the tools, dies, patterns, inventory and know-how and hopes to start production of the engines in Canton about March 1.

The industrial engines taken over by Hercules are the C2-90 and the DV4-180, both valve-in-head air-cooled models. They will supplement the current line of smaller Hercules gasoline and diesel engines.

Lay-Off to Hit About 100 Workers at Elmira

Elmira, N. Y.—About 100 employees of Eclipse Machine Division plant in Elmira Heights will be laid off as a result of production reductions in the automotive industry. The cutback involves both salaried and hourly paid personnel.

Plant Opens on Catalina

Hawthorne, Calif.—Double T Products Co. has set up a plant at Avalon on Catalina Island for production of a broad range of electronic component products, including terminal board assemblies, complete wire assemblies and molded components required for complete units.

Paper Plant Planned

Youngstown, Ohio—American Paper Products Co., East Liverpool, Ohio, has awarded a contract to D. D. Davis Construction Co. to build a \$500,000 plant in Youngstown. The company manufactures envelopes.

especially true when shipments can go directly to customers or distributors rather than to a warehouse.

You may be interested in a detailed three-year study on air freight, completed by the Harvard Business School. A brief summary of the study, "The Role of Air Freight in Physical Distribution" can be obtained from the Emery Air Freight Corp., 801 2nd Ave., New York 17, N. Y.

The full study can be purchased for \$2.50 from the Graduate School of Business Administration, Harvard University, Boston, Mass.

Plastic Unit Sees Profit Squeeze

New York—The Society of the Plastics Industry predicts "the squeeze on profits in the plastics field may be expected to intensify during 1958."

This view was stated in the industry's year-end report which showed that plastics production climbed to a record high in 1957 for the sixth consecutive year.

Output of plastics and resin materials in the United States rose nearly 7% to an estimated 4,387,000 lb.

The dollar value of the industry's products was put at more than \$2 billion, or \$50 million greater than that of 1956.

"Certain branches of the industry," the report said, "particularly those in their early growth stages, should forge ahead in volume. But it is doubtful if this will offset declines elsewhere during the early months of the year."

A rise in Defense spending by the second half of this year, along with easier money rates, "may be the start of a renewed upturn for plastics," it added.

Conover Family, Guest Aboard Missing Yacht

Miami—Hope faded last week in the air-sea search for New York magazine publisher, Harvey Conover, and four other persons missing aboard Conover's 43-ft. yacht Revonoc since Jan. 2.

Air and sea searchers feared the craft may have been blown to any part of the Gulf area by a fierce storm which struck while the party was sailing from Key West to Miami.

Aboard the Revonoc with Conover, 65, who heads Conover-Mast Publications, Inc., publishers of "Purchasing Magazine," were his wife; his son Lawrence, 26; and his wife Laury; and a guest, William Fluegelman, 29, Scarsdale, N. Y.

Ohio Ex-Governor To Talk

Akron, Ohio—John W. Brown, former lieutenant governor as well as interim governor of Ohio, will address the Purchasing Agents Association of Akron at its Jan. 21 meeting, which will also be "Bosses' Night."

Public Works to Lead Construction Throughout Nation, Survey Shows

New York—Public works will spearhead construction activity in 1958. That's the story revealed by the new "Engineering News-Record" statistics on contract awards.

New data, covering all of 1957, shows that public works contracts were up a healthy 17% in 1957. That contrasts to a 38% drop in private construction. Details are given in the table below.

AMOUNT OF CONTRACTS LET IN 1957

	Millions of dollars		%
BY OWNERSHIP	1957	1956	Chge
Federal	\$2185	\$1689	+29
State and municipal	7415	6533	+14
Total public	9600	8222	+17
Total private	8386	13,490	-38
U. S. Total	\$7986	\$21,712	-17
BY TYPE OF WORK: (Heavy Construction)			
Waterworks	\$369	\$356	+4
Sewerage	556	579	-4
Bridges	781	622	+26
Highways	2965	2475	+20
Earthwork, waterways	969	730	+33
BY TYPE OF WORK: (Buildings)			
Public, excl. housing	2353	2099	+12
Public housing	642	318	+102
Private housing	3041	5306	-43
Commercial	1754	2051	-14
Industrial	3081	5335	-42
Unclassified	1475	1841	-20
U. S. Total	\$17,986	\$21,712	-17

NOTE: Minimum size projects included are: Waterworks and waterways, \$44,000; other public works, \$73,000; industrial, \$93,000; other buildings, \$344,000.

Source: ENR

This is only the second time since 1949 that public contracts have come out ahead of private ones. In 1952, atomic energy plants, valued at near \$2 billion, pushed the public total ahead of private volume.

The sharp swing toward public works provides a dramatic clue to impending trends. Contracts let today become tomorrow's actual construction outlays. Based on the above table, you can expect increased demand for materials—like cement—that are used primarily in heavy public works.

A closer look (see table above) reveals that 1957 marked record highs for the following types of work:

- Bridge contracts — 26% above 1956 to a peak \$781 million.

- Highways—up 20% to record \$3 billion. The recession may induce the government to increase contracts in this area even further in 1958.

- Earthwork-dams-waterways — up 33% to a record \$969 million.

Kaiser Steel Expanding

Fontana, Calif.—Kaiser Steel Corp.'s expansion program to increase the company's ingot capacity from 1,536,000 to 2,933,000 tons a year, is about two-thirds completed. Begun in early 1956, the expansion is expected to be completed by mid-1958.

United States Rubber Co. announced it is consolidating the operations of its subsidiary, New York Belting & Packing Co., with the sales and distributing organization of its mechanical goods division. The move is designed to strengthen the company's nationwide network of industrial rubber products distributors.

- Waterworks up 4% to a record \$369 million.

Note that private housing showed a sharp 43% drop. However, look for reversal of this trend in 1958.

FHA is easing credit terms to boost sales. New rules allow purchasers to incur heavier loans relative to their income. This, plus growing supply of mortgage money, should help bolster home building.

Merck & Co. Will Add \$5 Million in Facilities

Danville, Pa.—Merck & Co. plans to spend more than \$5 million for new facilities here for expanding the production of ultra-pure silicon and related products.

The company said it expects the units to reach full production within a year. High-purity silicon is used for the manufacture of transistors, diodes, and rectifiers.

Two major companies, American Viscose and Dupont, are cutting prices on some cellophane grades

4¢ a lb. New Avisco price for roll cellophane is 65¢ a lb. It applies to Avisco DSB and MSBO grades. Sheet cellophane prices were also cut. Prices of both types will be slightly higher on the West Coast. Similar DuPont reductions were made on MSAD—80 and LSAD lines.

Utica to Begin Operation

Utica, N. Y.—The new Utica Metals Division plant of the Kelsay-Hayes Co. in New Hartford, wholly devoted to the vacuum induction melting of metals, starts production this month. The plant is expected to be in full production by March 1.

Rubber Plant Planned

London—A synthetic rubber plant with an initial capacity of at least 50,000 tons a year is to be constructed at Pernis, near Rotterdam, Holland, for Shell Pernis Chemische Fabrieken, N. V.

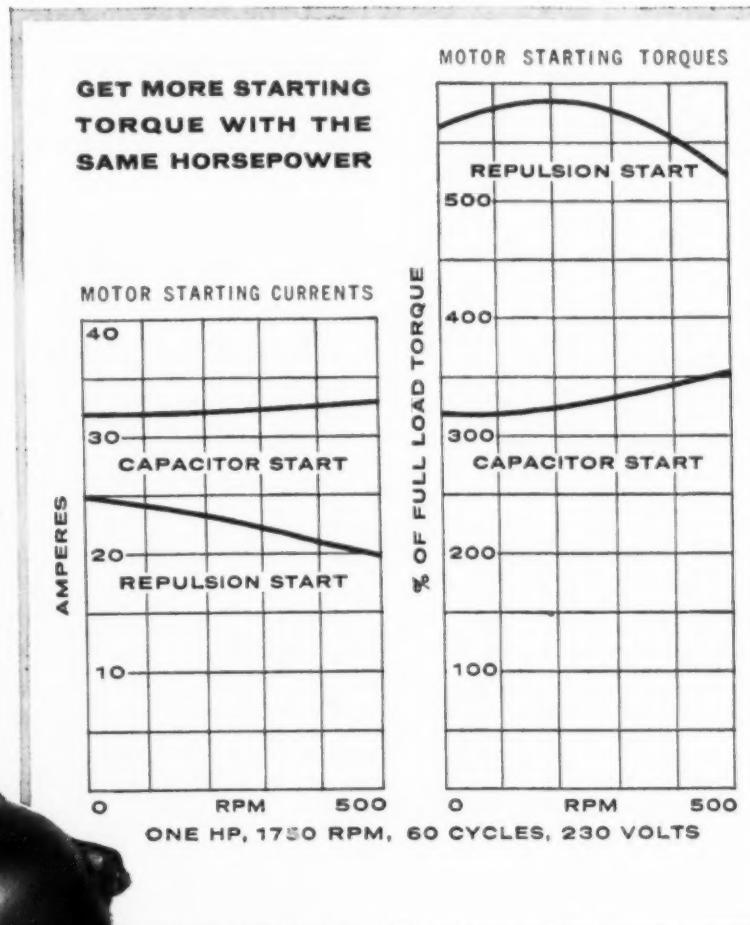
Palmer to Handle Sales

Orlando, Fla.—Palmer Supplies Co. of Florida has been appointed sales representative by the Container Division, Jones & Laughlin Steel Corp. for one to ten-gal. steel pails.

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